DOCUMENT RESUME

ED 415 380 CE 075 559

AUTHOR	Lawson, Leslie O.; King, Christopher T.
TITLE	The Reality of Welfare-to-Work: Employment Opportunities for Women Affected by Welfare Time Limits in Texas.
INSTITUTION	Texas Univ., Austin. Center for the Study of Human Resources.; Urban Inst., Washington, DC.
SPONS AGENCY	Annie E. Casey Foundation, Baltimore, MD.; Foundation for Child Development, New York, NY.; Rockefeller Foundation, New York, NY.
PUB DATE	1997-09-00
NOTE	65p.
CONTRACT	UTA96-0081
PUB TYPE	Numerical/Quantitative Data (110) -- Reports - Research (143)
EDRS PRICE	MF01/PC03 Plus Postage.
DESCRIPTORS	Economically Disadvantaged; *Employment Opportunities; Employment Patterns; *Employment Projections; Federal Legislation; *Females; Labor Market; Labor Needs; Poverty; State Legislation; *State Programs; *Welfare Recipients
IDENTIFIERS	Personal Responsibility and Work Opp Recon Act; *Texas; *Welfare to Work Programs

ABSTRACT

Researchers assembled a database of current and projected information on the following: welfare recipients; other female participants in the labor market; employment, occupational availability, and job openings; and occupational characteristics. The database was used in a multistep process to project the number of women forced to leave welfare rolls between statewide implementation of Texas' time limits and the year 2000 and other key figures. Findings revealed the following: over 59,000 women are expected to be forced to leave Texas' welfare rolls; more than half will have worked within the previous 2 years with average wages of less than $3,700; three-quarters will have been "long-term" recipients; most forced exiters are expected to be black women; and women entering the labor market from the welfare rolls will increase the statewide labor force by less than two-thirds of 1 percent. The greatest share of jobs available to forced exiters would be in service occupations. About two of five available jobs would be full time/full year. Fewer than 30 percent of all potential jobs would enable a family of three to escape poverty. At least 50 percent of possible employment opportunities would lack medical insurance coverage, dental coverage, paid personal leave, and sick leave. Well over half of all available jobs would tend to be unstable. Nearly all Texas regions were expected to have ample numbers of jobs for forced exiters in female-dominated occupations. (Appendixes contain 31 references, data sources, and 45 endnotes.) (YLB)

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ED 415 380

The Reality of Welfare-to-Work: Employment Opportunities for Women Affected By Welfare Time Limits in Texas

Submitted by:

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Prepared for:

The Urban Institute
with funding from
the Annie E. Casey Foundation,
the Rockefeller Foundation
and the
Foundation for Child Development

Under Contract No. UTA96-0081

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September 1997

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The conclusions and opinions expressed herein are those of the authors and do not represent the official positions of the funding sources or The University of Texas at Austin.

ACKNOWLEDGMENTS

Many organizations and individuals assisted with this research. The Urban Institute sponsored this project under the "Transitions From Welfare to Work" grant program, with funding from the Annie E. Casey Foundation, the Rockefeller Foundation and the Foundation for Child Development. Kristin Olson of the Urban Institute served as the project's primary contract officer.

John Kruse and the staff of the Labor Market Information Division at the Texas Workforce Commission provided Texas labor market data and projections, as well as guidance on their use. The Texas State Occupational Information Coordinating Council (TSOICC) generously allowed the use of their SOCRATES data system as well as raw data from the Dictionary of Occupational Titles and Occupational Employment Survey. Jon Hochberg, formerly of TSOICC, generously shared his time guiding researchers through the use of these information sources.

The authors are especially grateful to fellow Center for the Study of Human Resources (CSHR) researchers Deanna Schexnayder and Jerry Olson, whose original modelling of the effects of Texas time-limits is the basis of this research. Diane Tucker and Karen Franke, also of CSHR, provided administrative support.

CONTENTS

TABLES iii

FIGURES iv

SUMMARY 1

INTRODUCTION 5

OVERVIEW OF TIME LIMITS LEGISLATION 7

- Texas Legislation 7
- Federal Legislation 9

THE STUDY 10

- Research Questions 10
- Methodology 10

KEY FINDINGS 16

- Forced Exiters 16
- Potential Occupations 22
- Potential Job Availability 38

BARRIERS TO SECURING AND RETAINING WORK 44

- Human Capital 44
- Health Limitations 45
- Family Responsibilities 45
- Domestic Violence 46

CONCLUSIONS AND POLICY RECOMMENDATIONS 47

REFERENCES 48

APPENDIX A: AFDC DATASET AND MODEL A-1

APPENDIX B: OTHER DATA SOURCES B-1

TABLES

TABLE 1 TEXAS TIME LIMITS ON CASH AND TRANSITIONAL BENEFITS 8

TABLE 2 CHARACTERISTICS OF WOMEN PROJECTED TO BE FORCED OFF AFDC BY TEXAS TIME LIMITS 17

TABLE 3 OCCUPATIONS FOR WHICH WOMEN AFFECTED BY AFDC TIME LIMITS MIGHT QUALIFY 23

TABLE 4 JOB AVAILABILITY IN FEMALE-DOMINATED OCCUPATIONS, 2000 39

TABLE 5 JOB AVAILABILITY IN FEMALE-DOMINATED OCCUPATIONS, 2000 40

TABLE 6 JOB OPENINGS IN FEMALE-DOMINATED OCCUPATIONS, 1997-2000 42

TABLE 7 JOB OPENINGS IN FEMALE-DOMINATED OCCUPATIONS, 1997-2000 43

FIGURES

FIGURE 1 FORCED EXITERS BY TEXAS COUNCIL OF GOVERNMENT REGION 19

FIGURE 2 POTENTIAL FORCED EXITERS AS A SHARE OF THE CIVILIAN LABOR FORCE, BY TEXAS COUNCIL OF GOVERNMENT REGION, 1997-2000 21

FIGURE 3 PROJECTED TEXAS EMPLOYMENT BY OCCUPATION, 2000 24

FIGURE 4 PROJECTED TEXAS EMPLOYMENT REQUIRING LESS THAN HIGH SCHOOL COMPLETION, BY OCCUPATION, 2000 24

FIGURE 5 POTENTIAL JOBS BY FULL-TIME/PART-TIME AND FULL-YEAR/PART-YEAR STATUS 26

FIGURE 6 POTENTIAL JOBS REQUIRING LESS THAN HIGH SCHOOL COMPLETION BY FULL-TIME/PART-TIME AND FULL-YEAR/PART-YEAR STATUS 26

FIGURE 7 POTENTIAL JOBS BY SELF-SUFFICIENCY EARNINGS STATUS 28

FIGURE 8 POTENTIAL JOBS BY EARNINGS AS A PERCENT OF POVERTY 28

FIGURE 9 POTENTIAL JOBS REQUIRING LESS THAN HIGH SCHOOL COMPLETION BY SELF-SUFFICIENCY EARNINGS STATUS 29

FIGURE 10 POTENTIAL JOBS REQUIRING LESS THAN HIGH SCHOOL COMPLETION BY EARNINGS AS A PERCENT OF POVERTY 29

FIGURE 11 PERCENT OF POTENTIAL JOBS COVERED BY EMPLOYEE BENEFITS 31

FIGURE 12 POTENTIAL JOBS BY FREQUENCY OF EXPOSURE TO ENVIRONMENTAL HAZARDS 32

FIGURE 13 POTENTIAL JOBS REQUIRING LESS THAN HIGH SCHOOL COMPLETION BY FREQUENCY OF EXPOSURE TO ENVIRONMENTAL HAZARDS 32

FIGURE 14 POTENTIAL JOBS BY FREQUENCY OF PHYSICALLY-DEMANDING ACTIVITIES 33

FIGURES (CONTINUED)

FIGURE 15 POTENTIAL JOBS REQUIRING LESS THAN HIGH SCHOOL COMPLETION BY FREQUENCY OF PHYSICALLY-DEMANDING ACTIVITIES....34

FIGURE 16 ANNUAL TURNOVER RATES IN POTENTIAL JOBS FOR FORCED EXITERS....35

FIGURE 17 OCCUPATIONS FOR INDIVIDUALS WITH HIGH SCHOOL COMPLETION OR LESS, BY INDUSTRY....37

FIGURE 18 OCCUPATIONS FOR INDIVIDUALS WITH LESS THAN HIGH SCHOOL COMPLETION, BY INDUSTRY....37

FIGURE 19 JOB -TO-WORKER RATIO BY TEXAS COUNCIL OF GOVERNMENT REGION, 2000....39

FIGURE 20 OPENING-TO-ENTRANT RATIO BY TEXAS COUNCIL OF GOVERNMENT REGION, 1997-2000....42

The Reality of Welfare-to-Work: Employment Opportunities for Women Affected By Welfare Time Limits in Texas

SUMMARY

The study's findings challenge the assumptions that underlie many of the recent federal and state welfare reforms. It is shown that although a surplus of jobs in female-dominated occupations exist for women with limited job experience and high school education or less in Texas, the vast majority of such jobs are low-wage, unstable jobs. Most are less than full-time/full-year, are in occupations which have very high rates of turnover, and do not offer medical, dental or sick leave benefits. These jobs also pay earnings which are insufficient to bring a family of three out of poverty. Furthermore, the findings further document the reasons behind Texas' high rates of "cycling"–that is, recipients repeatedly moving between work and welfare.

METHODOLOGY

Researchers have assembled a database to bring together current and projected information on welfare recipients; other female participants in the labor market; employment, occupational availability and job openings; and occupational characteristics. This database was used in a multi-step process, to project the number of women forced to leave AFDC between the implementation of Texas time limits and the year 2000, the number of women in the Texas labor force with job-readiness characteristics similar to those of forced exiters, the total labor supply of women with limited job readiness, the number of jobs in female-dominated occupations requiring limited job readiness projected to exist by the year 2000, and the ratio of labor market supply and demand for women with limited job-readiness, as well as the corresponding job surplus.

FINDINGS

- Between the full implementation of H.B. 1863 and the year 2000, over 59,000 women are expected to be forced to leave Texas' welfare rolls.

- The majority of forced exiters will be aged 25-34 years.
- Fewer than half of all women expected to exit first became mothers as teenagers.
- Two-thirds will have completed high school or received a GED, although it is estimated that 60 percent of those women are actually functioning well below their reported levels of educational attainment.
- More than half will have worked within the previous two years, but with average wages of less than $3,700.
- Three-quarters will have been "long-term" recipients, receiving welfare for a total of more than three years.
- The greatest share of forced exiters are expected to be Black women, in part because they are more likely than non-Blacks to be long-term recipients.
- Forced exiters will tend to have small families with older children.
- The number of women entering the labor market from the welfare rolls will enlarge the statewide labor force by less than two-thirds of one percent.
- The greatest share of potential jobs available to these forced exiters are expected to be in Service occupations (43 percent), followed by Clerical and Administrative Support (28 percent) and Sales and Related occupations (20 percent).
- Only about two of every five jobs available will actually be full-time/full-year.
- Taking into account both wages and the average number of hours likely to be offered, fewer than 30 percent of all potential jobs will enable a family of three to escape poverty. Even if all jobs offered full-time, full-year employment, fewer than half would offer wages sufficient to bring a family of three above poverty.
- Approximately half of all possible employment opportunities for women forced to leave welfare due to time limits will lack medical insurance coverage and even fewer will include dental coverage. Fewer than a fifth of these jobs are expected to offer paid personal leave, and only one in 10 will offer sick leave.
- Few jobs potentially available to forced exiters are expected to have significant exposure to environmental hazards or to require constant physical demands that might result in injury.
- Well over half of all jobs expected to be available to women being forced to exit welfare tend to be unstable, suffering from historically high to very high rates of turnover.
- The greatest concentration of potential jobs for forced exiters will be in the Retail (37 percent) and Services (28 percent) industries, both of which are typically low-wage and offer very limited career ladders.

- Statewide estimates show an optimistic employment picture. Women with a high school education or less, including women forced to exit from welfare, should find ample job opportunities available in the year 2000–approximately 1.4 jobs for every potential employee–in occupations whose employment has been made up, historically, of fifty percent or more women.

- Nearly all Texas regions are expected to have ample numbers of jobs for forced exiters in female-dominated occupations requiring educational attainment of high school or less and minimal job experience. Only two regions, South Texas (Laredo) and Middle Rio Grande Valley (Del Rio) are expected to have fewer jobs available than eligible workers to fill them, with job-to-worker ratios of 0.96:1 and 0.93:1, respectively.

- Job prospects for women being forced to exit welfare seem to be best in the North Central Texas region, which includes the Dallas/Fort Worth metropolitan area. The state's other heavily populated metropolitan areas are also expected to have sufficient numbers of jobs for forced exiters. This is good news for women expected to be forced off AFDC, as nearly 70 percent live in these urban areas.

- Statewide, more than two jobs in female-dominated occupations requiring high school completion or less are expected to open up for every new female entrant to the labor market with an education of high school or less.

- All COG regions are projected to have sufficient openings for jobs in female-dominated occupations requiring educational attainment of high school or less and minimal job experience . Sixteen regions can expect to have more than two job openings for every entrant to the labor market.

CONCLUSIONS AND RECOMMENDATIONS

Although time-limiting legislation promises to raise the employment rate of poor, single mothers, it alone is unlikely to be effective in promoting their economic self-sufficiency. In fact, most forced exiters will remain poor by virtue of low hourly wage rates and the part-time/part-year nature of the jobs for which they qualify. Furthermore, an increased number of less-skilled workers in the labor market is likely to exert further downward pressure on already-low wages.[1]

The pre-time limits welfare system, in spite of its flaws, offered a minimal but relatively consistent form of income security between periods of work. The low-wage labor market for mothers with low-skills as it exists today, offers no such consistency. A number of courses of action could facilitate job and income stability:

- further expansion of the Earned Income Tax Credit;
- continuing increases in the federal minimum wage;
- implementation of "comparable worth" policies which raise the compensation in female-dominated occupations;
- expanded unemployment insurance coverage and eligibility;
- passage of legislation mandating comparable benefit packages for workers regardless of full-time/part-time or contingent/permanent status;
- implementation of policies that encourage collective bargaining in female-dominated and other low-wage industries;
- further emphasis on and federal and state funding for education and job training programs;
- continuation of and expanded eligibility for public health care, including Medicaid; and
- increased access for low-income working families to subsidized, quality, dependent care.

Without substantial improvement in wages and working conditions at the low end of the labor market and interventions to overcome barriers to stable employment, time limits on welfare receipt will only increase the economic and social hardship faced by low-skilled mothers and their children.

INTRODUCTION

When the Aid to Families with Dependent Children (AFDC) program was created in 1935, the explicit intention was to enable single mothers–primarily widows–to stay out of the labor force and care for their children, thereby reducing child poverty. It was widely acknowledged and accepted that recipiency would be long-term, that is until the family's youngest child reached adulthood. However, economic circumstances and mores have changed. Raising children and maintaining a household is no longer considered by most to be the sole vocation of women. Today, the majority of women–with and without children–work outside the home.

The name of the assistance program and the characteristics of the population receiving benefits have also changed. AFDC originally served primarily widows and their children, but by the mid 1960s, a large percentage of the caseload consisted of separated, divorced, or never-married women and their children. Today, 82 percent of the children served by the Temporary Assistance for Needy Families (TANF) block grant have divorced or never-married parents.[3] Furthermore, the share of non-whites receiving assistance has grown considerably since the program's early days. Along with these changes have come new attitudes about providing unmarried mothers with long-term support.

These attitudinal and economic changes–along with intense federal and state budget pressures–have led to numerous attempts to reform the welfare system at the national and state levels. Recent efforts have included initiatives to limit the length of time families can receive cash welfare. Reform proposals–including the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 at the national level and the Achieving Change for Texans demonstration–have been based on the premise that many families have become overly dependent on welfare and that limiting the length of time they may receive cash benefits will encourage caretakers to try harder to support their own families. It is expected by some that welfare recipients will change their behavior if given a firm deadline, implying that long-term dependency is largely the result of behavioral issues.

However, the debates generally have lacked focus on the numbers and types of labor market opportunities realistically expected to be available to such long-term welfare recipients. The underlying assumption that plenty of jobs–jobs capable of enabling a family to be financially self-sufficient–exist for the

women who receive welfare, has yet to be adequately examined.

The Reality of Welfare-to-Work: Employment Opportunities for Women Affected By Welfare Time Limits in Texas identifies and describes the employment opportunities potentially available to Texas women who would be forced to leave welfare under time-limit legislation recently passed in Texas–legislation which may very well serve as a model for future revisions to recently passed national welfare reform legislation.

OVERVIEW OF TIME LIMITS LEGISLATION

Texas Legislation

"Achieving Change for Texans (ACT)," a statewide welfare demonstration project, authorized under Texas House Bill 1863, was passed and signed into law in June of 1995.[4]

This six-year demonstration, approved by the U.S. Department of Health and Human Services as a waiver under Social Security Act Section 1115(a) in March 1996, among other things, sets variable limits on the length of time that caretakers can receive cash aid once they have been notified that work or employment activities–that is, Job Opportunity and Basic Skills (JOBS) services–are available to them. Cash and transitional benefits are limited as follows:

- Tier I: Caretakers with 18 or more months of recent work experience *or* a high school diploma, GED, or higher are limited to a cumulative total of 12 months of benefits and a subsequent 12 months of transitional benefits (i.e., Medicaid and subsidized child care) after JOBS notification;

- Tier II: Caretakers with six to 17 months of recent work experience *or* a completed education equal to the 11th grade but less than 12th grade are limited to a cumulative total of 24 months of benefits and 12 months of subsequent transitional benefits after JOBS notification; and

- Tier III: Caretakers who have less than six months of recent work experience *and* less than three complete years of high school are limited to a cumulative total of 36 months of benefits and 12 subsequent months of transitional benefits after full assessment of job readiness.

Caretakers who reach their time limit will not be eligible to receive welfare benefits again for a minimum of five years.

For time-limit tier determination, recent work experience is defined as work which paid no less than the federal minimum wage and averaged at least 30 hours per week (or the equivalent if self-employed) and is based on client self-report. Education used in time limit determination is also based on client self-report, unless it is determined that the client's functional literacy level is lower than the self-reported level of completion. In such a case, the results of a test of functional literacy level is the basis for determining the client's time limit. Clients are not allowed, however, to exceed the time limit to which their work history entitles them.

For the first two years the legislation is in effect, caretakers with children aged five or younger are exempt from JOBS participation, and thus, exempt from time limits on welfare benefit receipt. In subsequent years, the age of youngest child exemption is reduced to age four beginning September 1, 1997 and then

Table 1
Texas Time Limits on Cash and Transitional Benefits

Tier	Education		Recent Work Experience	Months of Cash Benefits Receipt	Months of Transitional Benefits Receipt***
I	High School Diploma, GED or higher	OR	18 months or more	12*	12
II	At least 11th grade completion, but less than 12th grade completion	OR	6-17 months	24*	12
III	Less than three years of high school	AND	less than six months	36**	12

*After notification of availability of work of employment activities.
**After twelfth month following full assessment of job readiness.
***After last allowable month of cash benefits receipt under time limits.

again to age three beginning September 1, 1998.

The legislation also permits the Texas Department of Human Services (DHS) to grant exceptions to families for whom a needs assessment shows that time limits on benefits would result in "severe personal hardship", if the state is unable to provide support services (i.e., subsidized child care), or if "community economic factors prevent [the] recipient from obtaining employment".[5]

It is important to emphasize that, in sharp contrast to TANF, Texas' legislation restricts benefits *for the AFDC caretaker only* and does not remove any children from the rolls or reduce their grants in any way.

The time limits legislated in Texas are of the benefit termination model, that is, the time limit signals the end of public support.[6] The legislation does impose work/training participation requirements before the time limit, but unlike the time-limits initiatives in other states (e.g., Vermont), jobs are not provided to caretakers whose clocks run out before finding work. Also unlike other states' time-limit provisions, Texas' model eliminates the safety net quality of the AFDC program for many of the state's needy families. The reduction of long-term recipiency is the primary goal of this legislation.

Federal Legislation

Under the Personal Responsibility and Work Opportunity Reconciliation Act Of 1996 (PRWORA, P.L. 104-193), which replaced AFDC with the Temporary Assistance for Needy Families (TANF) block grant, time limits on welfare across the rest of the nation are quite different from those currently enforced in Texas.[7]

Families who have received welfare benefits for a cumulative total of five years–or less if a state opts–lose eligibility for continued assistance. Long-term recipients and their children, across the board, will be forced to exit the rolls, regardless of their educational attainment, prior work history, job readiness or employability. States are permitted, however, to exempt up to 20 percent of their caseload from time limits. States are also permitted to use TANF block grant money and state funds counted toward "maintenance of effort" to provide non-cash assistance to families who reach the federal time limit.[8]

Unlike Texas' time-limiting legislation, PRWORA will end the cash benefits of caretakers *and* their children with no possibility of returning to the rolls.

THE STUDY

Research Questions

The following research questions are addressed in this study:

RQ1: How many women would be forced to leave Texas' welfare rolls under the welfare time-limit legislation recently passed in Texas (Texas House Bill 1863)? What are the demographic characteristics of the women forced from the rolls? What level of job readiness, on average, do they have? To what degree will forced exiters from welfare affect the Texas labor market?

RQ2: For what occupations might these forced-exiters qualify? Are they full-time or part-time jobs? What are the typical wages paid and do they have the potential to pay enough for women to bring their families out of poverty? What are the physical demands and working conditions of these jobs? What types of benefits and leave policies might be available to employees?

RQ3: For which industries might forced-exiters potentially work?

RQ4: For the state and by Texas Council of Government (COG) region, do sufficient numbers of jobs currently exist for individuals with characteristics comparable to these forced-exit subsets of welfare recipients? Will the near-term demand for labor in Texas regions be sufficient to absorb the women forced off welfare?

Methodology

To address these questions, researchers assembled a database to bring together current and projected information on female welfare recipients;[9] other female participants in the labor market; employment, occupational availability and job openings; and occupational characteristics. This database was used in a multi-step process, to project five key figures:

- The number of women who would be forced to leave the welfare (formerly AFDC-Basic) rolls between statewide implementation of Texas' time limits (1997) and the year 2000;
- The number of women in the Texas labor force with job-readiness characteristics similar to those of forced welfare exiters during this same time period;
- The total labor supply of women with limited job-readiness, including women forced from the welfare rolls;
- The number of jobs which are projected to exist by the year 2000 requiring educational and work experience levels roughly comparable to those of forced exiters from welfare; and finally,
- The ratio of labor market supply of and demand for women with the identified characteristics, and the corresponding job gap/surplus.

Forced Exiters

Estimates of the number of welfare caretakers affected by the recently passed time-limit legislation have been derived using a simulation model which utilizes the demographic attributes of the Texas AFDC caseload and prior research on the factors influencing AFDC exit and recidivism rates, including participation in the Texas JOBS program.[10] The model simulates exit and recidivism rates among Texas AFDC-Basic caretakers with various characteristics over a five-year period, then adjusts the caseload dynamics to account for the time-limit provisions of HB 1863.

Further description of this dataset and assumptions made in the development and implementation of the model can be found in Appendix A.

Labor Supply of Women of Women Comparable to Welfare Exiters

To estimate the potential year 2000 labor supply of women whose job-readiness characteristics (in particular, reported educational completion levels) are similar to those of women forced to exit Texas' welfare program due to time limits, the following formula was applied to each race/ethnic and age group of women:

$$(PP \bullet ed)clf = LS$$

pp = population projections to the year 2000 for women in Texas aged 16 and older[11]

ed = percent of women with educational attainment levels of high school completion or less[12]

clf = civilian labor force participation rate for women with educational completion levels of high school or less

LS = potential number of workers in the labor pool from which jobs, comparable to those for which women forced off welfare in Texas might qualify, are filled

This approach does not take into account potentially changing labor force participation among women. Instead, labor force participation rates are assumed to have leveled out, as witnessed in Current Population Survey (CPS) data from 1990 to 1995. This assumption introduces a potentially *conservative bias* to the analysis. Nor does this approach take into consideration the increasing number of men competing in the labor market for female-dominated occupations[13] or the likelihood of both men and women with greater job readiness and experience being underemployed in jobs for which forced-exiters and comparable women might qualify and compete. This contributes a further conservative bias to the estimates.

Total Labor Supply of Women

The implementation of time limits on welfare receipt will, in effect, raise the labor force participation rate for women in a way which is unaccounted for in the estimated civilian labor force participation rate utilized above. In order to account for this increase in the number of women in the labor market between 1997 and the year 2000, the number of women estimated to exit from welfare–adjusted for forced exiters who have recent labor market experience and are assumed not to be *new* entrants to the labor market–will be added to the number of women with high school education or less who are expected to participate in the labor market in the year 2000.

$$(PFE \bullet pwe) + LS = W$$

PFE = potential forced exiters from welfare

pwe = percent of potential forced exiters lacking recent work experience

LS = potential number of workers in the labor pool from which jobs, comparable to those for which women forced off welfare in Texas might qualify, are filled

W = total number of workers

New Entrants to the Labor Market

The number of women expected to enter the labor market for the first time or after an absence of two or more years was estimated to be the difference in the estimated total labor supply (LS) of women workers with job-readiness characteristics comparable to forced exiters between the years 2000 and 1997, plus the total number of forced exiters without recent work experience.

$$(LS^{2000} - LS^{1997}) + (PFE \bullet pwe) = E$$

LS^{2000} = potential number of workers in the labor pool in the year 2000 from which jobs, comparable to those for which women forced off welfare in Texas might qualify, are filled

LS^{1997} = potential number of workers in the labor pool in the year 1997 from which jobs, comparable to those for which women forced off welfare in Texas might qualify, are filled

PFE = potential forced exiters from welfare

pwe = percent of potential forced exiters lacking recent work experience

E = total number of women expected to enter the labor market for the first time or after an absence of two or more years between 1997 and 2000

Labor Demand

Given the mean self-reported education level and employment experience of this subset of welfare recipients, estimation of the types and number of jobs for which forced exiters could potentially qualify

was made using job requirements and characteristics data from the Dictionary of Occupational Titles (DOT), as well as from the 1990 Decennial Census Public Use Microdata Sample (PUMS).[14] For this analysis, occupations were selected based on the following criteria:

- *Percent Female.* This criterion limits the list of potential occupations to those whose ranks have historically been made up of 50 percent or more women, as identified by an analysis of Texas data from the 1990 Decennial Census.

- *Educational Requirements.* This criterion limits the list of potential occupations to those whose average educational requirements–measured in terms of DOT educational achievement levels for mathematical, reasoning, and language development skill–are average or below.[15]

- *Training or Employment Experience Requirements.* This criterion limits the list of potential occupations to those with training time and on-the-job experience levels required for job proficiency of one year or less and is measured in terms of Standard Vocational Preparation Time (SVPT).[16]

The focus on female-dominated occupations reflects the well-documented tendency of populations similar to the one in question to find employment primarily in female-dominated occupations. In a study of JTPA program terminees in Texas, female terminees were found to be disproportionately employed in female-dominated occupations.[17] In a 1995 study using the Survey of Income and Program Participation found that working welfare recipients tended to hold jobs in the lowest-wage women's occupations--37 percent worked as maids, cashiers, nursing aides, child care workers, and waitresses, while 13 percent of all women work in those occupations.[18]

It is important to note that matches between potential employees and employment opportunities were not made based on particular job skills, specific physical abilities, or spatial match in any greater detail than at COG region level.[19] Only educational attainment, both reported and functioning, and prior employment experience and training were considered.

Occupational Characteristics

Occupational characteristics were then determined for the list of occupations identified as potentially obtainable by women being forced off welfare. Some of the more important of these characteristics are described here. Additional technical detail on the source of each characteristic is included in Appendix B.

Wages. Estimates of average hourly wages paid in each occupation were calculated by SOICC from the 1990 PUMS file for Texas.

Full-time/Part-time and Full-year/Part-year. Estimates of the typical weekly work hours were calculated based on an analysis of 1993-1995 CPS data for Texas.

Employee Benefits. Rates of employee benefit and leave policy coverage for these potential occupations were calculated based on the U.S. Department of Labor, Bureau of Labor Statistics' (BLS) Employee Benefits Survey (EBS) data for medium and large firms, disaggregated by occupational type and full-time/part-time status.

Environmental Hazards. DOT-assigned values were used to assess the physical surroundings and circumstances in which a job is performed.

Physical Demands. DOT-assigned values were used to assess the physical requirements made of a worker in carrying out typical job tasks.

Occupational Projections

Estimates of the availability of potential occupations were calculated based on Texas Workforce Commission (TWC) projections of the amount of job growth by occupation (to the year 2000) at the state and COG region level.[20] These projections are based on the Texas Occupational Employment Statistics (OES) Survey, a cooperative effort between the Economic Research and Analysis (ERA) Department of the TWC, and the BLS. Additional information on the OES can be found in Appendix B.

Industry Projections

Occupational employment projections were derived from industry employment projections using the Industry/Occupation (I/O) Matrix, a matrix designed by BLS to reflect each industry's typical or average staffing patterns.

Job-to-Worker Ratio and Job Gap/Surplus

The number of female-dominated jobs (filled and not filled) requiring an educational attainment of high school graduation or less which also require total job training of less than one year estimated to exist in the year 2000 was compared to the number of women in the labor market (employed and unemployed) with specified characteristics *plus* the number of women estimated to be forced off welfare. The ratio of the total number of jobs and the total number of women is the "job-to-worker ratio". The difference is termed the "job surplus" or "job gap".

Opening-to-Entrant Ratio

The number of new female-dominated jobs created between 1997 and 2000 which require educational attainment of

high school graduation or less and job training of less than one year was compared to the number of women–both forced exiters from welfare and comparable women–expected to enter the labor market during the same period. The ratio of the total number of openings to the total number of new entrants to the labor market is the opening-to-entrant ratio.

KEY FINDINGS

Forced Exiters

Characteristics

According to a simulation based on AFDC administrative data, between 1997 and the year 2000, approximately 59,080 women would be forced to leave Texas' welfare rolls as the result of welfare time-limit legislation (HB 1863) recently passed in Texas (Table 2). The women who will be forced to exit are expected to be predominately between the ages of 25 and 34 years, with a mean age of 34 years. This is older than the average age for all AFDC-Basic caretakers in part because of time-limit exemptions for women with young children.

Two-thirds of these forced-exiters will have at least a high school diploma/GED. More than half will have worked within the previous two years, however, earnings for exiters with recent work experience are predicted to average less than $6,118.

Seventy-eight percent will have been long-term recipients, that is, caretakers who have received AFDC for more than three years over all spells of receipt. The greatest share of forced-exiters are expected to be black women (41 percent), in part because they are more likely to be long-term recipients.

Women who have extended stays on welfare–the majority of the first cohort of forced exiters in Texas–are a highly disadvantaged group. Although 63 percent have completed high school or have a GED, it is estimated that 60 percent of those women are actually functioning well below the high school level.[21] In one national study, of the women whose first stay on welfare lasted five years or more, three quarters scored well below average on the Armed Forces Qualify Test (AFQT), a test of basic educational skills necessary to enter the military.[22] In addition, almost half of the long-term welfare recipients expected to be forced off the rolls lack recent work experience altogether.

Fewer than half of the women expected to be forced off welfare became mothers as teenagers. On average, these forced exiters will tend to have only one or two children. The youngest child of the vast majority of forced exiters will be almost nine years of age.

Forced exiters, like Texas' welfare caseload as a whole, will not be evenly distributed across the state (Figure 1). Time limits are invoked only where a bona fide slot in the Texas JOBS program can be offered. Yet, the JOBS program operates in all of the state's urban

Table 2
Characteristics of Women Projected to be Forced off AFDC by Texas Time-Limits, 1997-2000

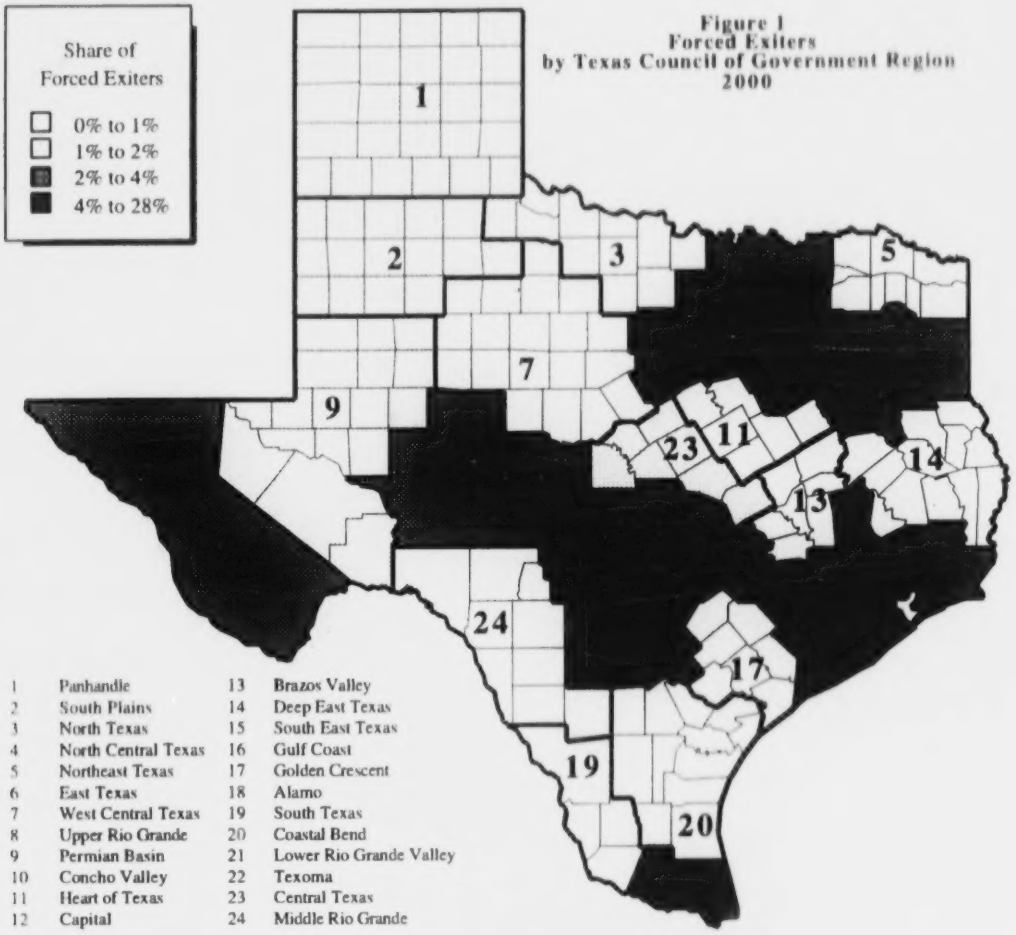
Characteristic	Mean	Number	Percent
Total		59,080	100
Race/Ethnity			
Black		24,125	41
Hispanic		20,352	34
White and Other		14,603	25
Age of Caretaker	34.1		
16-19		59	0
20-24		5,529	9
25-34		30,152	51
35-44		17,625	30
45-54		4,828	8
55-64		802	1
65+		84	0
Education			
Less than high school		20,132	34
High school graduation/GED		30,878	52
More than high school		8,070	14
Recent Employment Experience			
Yes		35,082	59
No		23,998	41
Earnings From Previous Two Years			
All exiters	$ 3,633		
Exiters with recent work experience	$ 6,118		
Became Parent as a Teen			
Yes		26,421	45
No		32,659	55
Number of Children	1.9		
1		25,526	43
2		19,398	33
3		9,716	16
4		3,343	6
5 or more		1,097	2
Ages of Youngest Child	8.8		
under one year		-	-
one to three years		-	-
three to five years		9,167	16
five to nine years		25,594	43
nine to thirteen years		13,759	23
thirteen to sixteen years		7,243	12
sixteen and over		3,317	6
Cumulative Time on Welfare (in years)	7.0		
More than three years		46,199	78
Three years of fewer		12,881	22

Table 2, continued

Characteristic	Mean	Number	Percent
Urban/Rural			
Urban-major city		33,841	57
Urban-medium city		17,144	29
Rural		8,095	14
COG Region of Residence			
Alamo		5,546	9
Brazos Valley		397	1
Capital		2,321	4
Central Texas		988	2
Coastal Bend		388	1
Concho Valley		2,119	4
Deep East Texas		827	1
East Texas		2,034	3
Golden Crescent		279	0
Gulf Coast		16,604	28
Heart of Texas			
Lower Rio Grande Valley		3,891	7
Middle Rio Grande Valley		431	1
North Central Texas		13,092	22
North East Texas		481	1
North Texas		363	1
Panhandle		1,072	2
Permian Basin		1,131	2
Southeast Texas		1,857	3
South Plains		1,300	2
South Texas		582	1
Texoma		279	0
Upper Rio Grande		2,431	4
West Central Texas		667	1

Source: CSHR simulation based on Texas Department of Human Services AFDC administrative data.

Figure 1
Forced Exiters
by Texas Council of Government Region
2000



1	Panhandle	13	Brazos Valley
2	South Plains	14	Deep East Texas
3	North Texas	15	South East Texas
4	North Central Texas	16	Gulf Coast
5	Northeast Texas	17	Golden Crescent
6	East Texas	18	Alamo
7	West Central Texas	19	South Texas
8	Upper Rio Grande	20	Coastal Bend
9	Permian Basin	21	Lower Rio Grande Valley
10	Concho Valley	22	Texoma
11	Heart of Texas	23	Central Texas
12	Capital	24	Middle Rio Grande

but only 30 of the state's 191 rural counties. Thus, forced exiters tend to be residents of urban areas, 29 percent in medium-sized cities and another 54 percent in major cities (including Dallas and Houston). Two-thirds of all forced exiters will reside in only four of the state's 24 Council of Government COG regions. As expected, the Houston and Dallas regions, which include the largest Metropolitan Statistical Areas (MSAs) in Texas, account for the greatest shares of the total welfare caseload and the greatest number of forced exits. However the Lower Rio Grande Valley region (McAllen), the region with the fourth largest share of exiters, is a relatively rural area. Its high share of caretakers and exits results from the very high poverty rates in the predominantly Hispanic Texas counties along the Mexican border.

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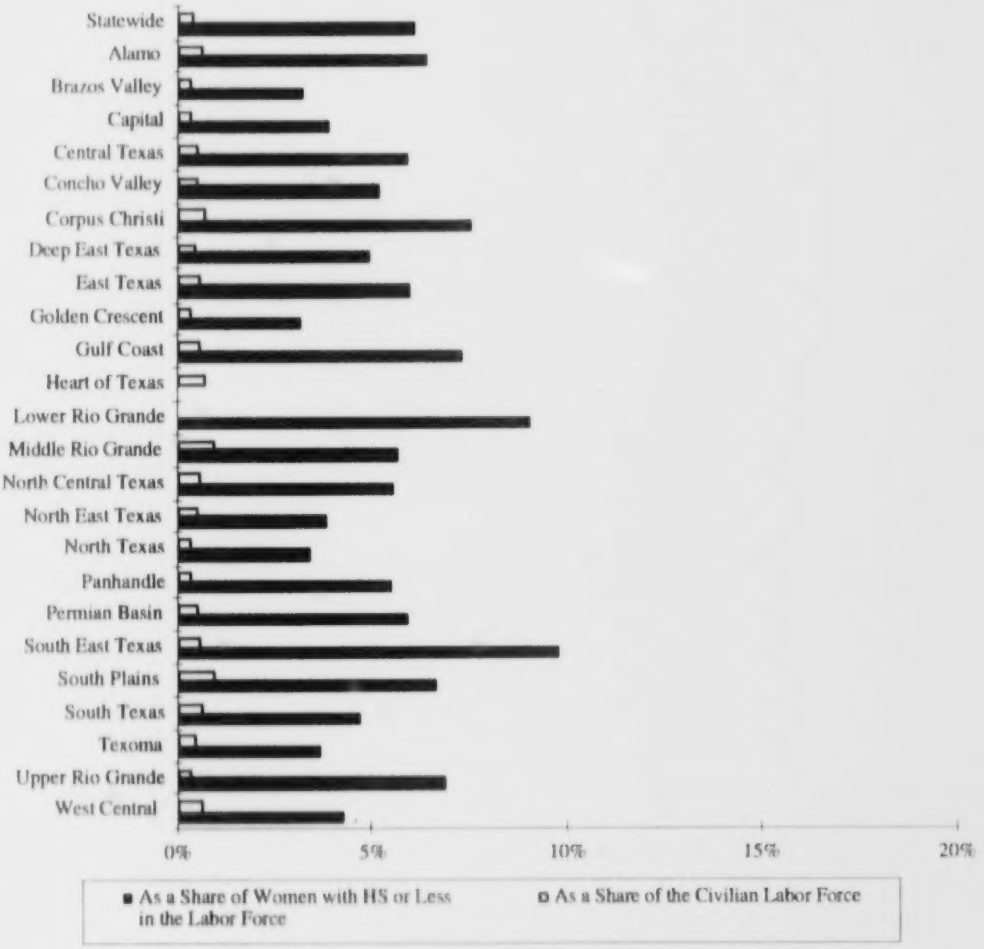
Effect on the Labor Market

This expected influx of women to the labor force from the welfare rolls will enlarge the labor force only marginally, although at differing rates across the state (Figure 2). As a result, the total civilian labor force in Texas is expected to increase by less than two-thirds of one percent over this period. The greatest percentage increase in the labor force due to the addition of forced exiters will be experienced in the Middle Rio Grande Valley region (Del Rio) and the South Plains region (Lubbock), although each will experience an increase of only 0.9 percent.

The numbers of women in the labor force with high school education or less will rise only six percent statewide as a result of Texas time limits. The region most affected, South East Texas (Beaumont), will witness a rise of as much as 10 percent.

Figure 2
Potential Forced Exiters from AFDC
by Texas Council of Government Region, 1997-2000



Source: CSHR simulation based on Texas Department of Human Services AFDC administrative data and analysis of TEC/ERA occupational projections data.

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Potential Occupations

Among female-dominated occupations–occupations whose ranks historically have been 50 percent women or more–74 require educational functioning levels and job experience which correspond to the qualifications held by the vast majority of women who are expected to be forced from the Texas welfare rolls under H.B. 1863's welfare time-limits provisions (Table 3). Of those occupations, 40 percent were heavily female-dominated, with 75 percent or more female employees. Two-thirds of the female-dominated occupations identified require at least high school completion.

Type of Occupation

The variety of occupations potentially available to women who will be forced to exit welfare, and to women with comparable job-readiness characteristics, is expected to be quite limited. By far, the greatest share of these occupations are expected to be Service occupations (43 percent), and Clerical and Administrative Support (28 percent). Sales and Related occupations (20 percent) and Operator, Fabricator and Laborer occupations (9 percent) also made up large percentages of the potential occupations for which these women might qualify. No Managerial or Administrative occupations, and few Professional, Technical or Skilled Production occupations–typically higher paying occupations–had job entry requirements fitting the average qualifications of the women projected to be forced off welfare (Figure 3).

This occupational mix of jobs for which forced exiters might qualify is quite different from the mix for all jobs across the state. Well over twice the share of jobs for forced exiters are expected to be in Service occupations than are represented in the universe of all Texas jobs. The share of potential jobs in Sales and Related and Clerical and Administrative Support is also expected to be almost two times that for all Texas jobs. All other occupations are underrepresented among potential jobs for exiters when compared to the occupational breakdown for Texas as a whole.

Forced exiters with educational completion of less than high school are expected to have an even narrower range of occupational choices. Over sixty-eight percent of female-dominated occupations requiring less than high school completion will be in the Service occupations. Smaller shares of jobs will be available for Operators, Fabricators and Laborers (9 percent) and Clerical and Administrative Support (2 percent) (Figure 4).

Table 3
Occupations for Which Women Affected by AFDC Time Limits Might Qualify (Among Occupations 50 Percent or More Female-Dominated)

Code	Title	Code	Title
28308	Title Searchers	53805	Reservation Agents
49023	Cashiers	53808	Hotel Desk Clerks
49032	Product Demonstrators	53908	Advertising Clerks
53108	Transit Clerks	55323	Order Clerks
53126	Statement Clerks	55326	Procurement Clerks
53314	Insurance Processing Clerk	55328	Statistical Clerks
53902	Library Assistants	55335	Customer Service Reps, Utilities
53911	Proofreaders/Copy Markers	56005	Duplicating Machine Operator,
55305	Receptionist	56008	Mail Machine Operators
55314	Personnel/Payroll Clerks	56099	Office Machine Operator, , N.E.C.
55321	File Clerks	58011	Transportation Agents
55332	Interviewing Clerks	58099	Distribution Workers, N.E.C.
55341	Payroll Clerks	59999	Clerical Workers, N.E.C.
55344	Billing Clerks	63044	Crossing Guards
56002	Billing Machine Operators	65008	Waiters And Waitresses
56017	Data Entry Keyers	65011	Food Servers, Outside
56021	Data Entry Keyers, Composing	65038	Food Preparation Workers
57102	Switchboard Operators	65041	Food Preparation, Fast Food
57108	Central Office Operators	65099	Food Service Workers, N.E.C.
57111	Teletype Operators	68032	Dressing Room Attendants
62031	Butlers And Housekeepers	68041	Funeral Attendants
62041	Child Care Workers, Private	69999	Service Workers, N.E.C.
62061	Servants/Cleaners, Private	79011	Agricultural Grader/Sorter
66026	Pharmacy Assistant	79017	Animal Caretakers
66099	Health Service Worker, N.E.C.	89514	Spotters, Dry Cleaning
67002	Maids And Housecleaners	89517	Pressers, Delicate Fabric
68038	Child Care Workers	89899	Precision Food Workers, N.E.C.
92717	Sewing Mach Operator, Garment	91705	Welding Mach Operators
92721	Sewing Mach Operator, Non-Garment	91711	Solder/Brazing Mach Operator
21502	Unemployment Claims Taker	92714	Textile Bleaching Operator
49017	Counter & Rental Clerks	92717	Sewing Mach Operator, Garment
49026	Street Vendor/Solicitors	92721	Sewing Mach Operator, Non-Garment
53114	Credit Authorizers	92726	Drycleaning Mach Operator
53117	Credit Checkers	92728	Pressing Machine Operator
53508	Bill And Account Collector	92908	Photo Processing Operator
53708	License Clerks	92974	Packaging Mach Operators
53805	Reservation Agents	98902	Hand Packagers

Note: Shaded occupations require less than high school completion.
Source: CSHR analysis of Dictionary of Occupational Titles data.

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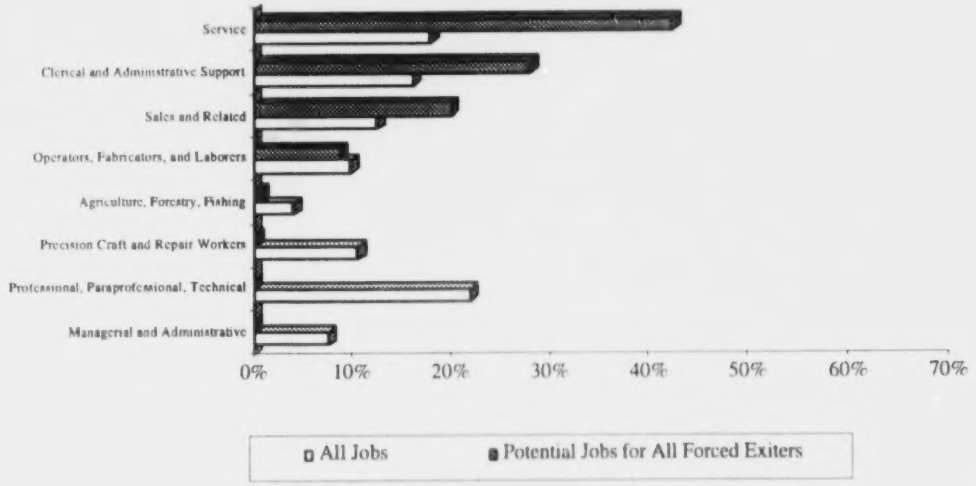
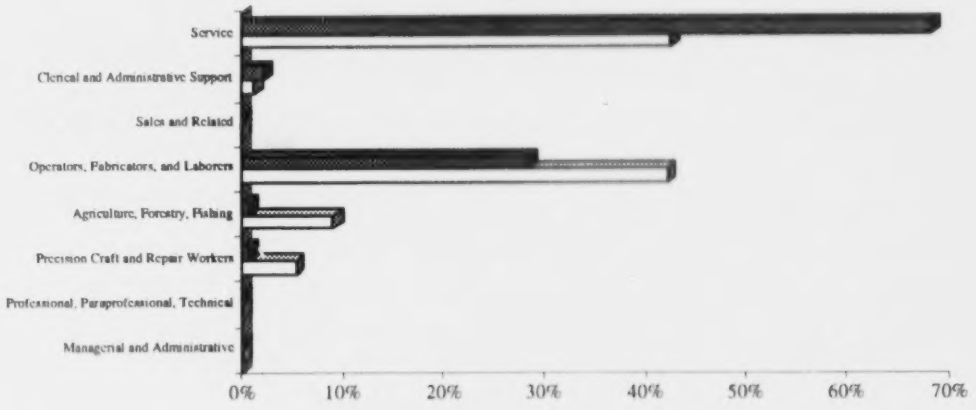
Figure 3
Projected Texas Employment by Occupation, 2000



Source: CSHR analysis of TEC/ERA occupational projections data.

Figure 4
Projected Texas Employment Requiring Less than High School Completion, by Occupation, 2000



Source: CSHR analysis of TEC/ERA occupational projections data.

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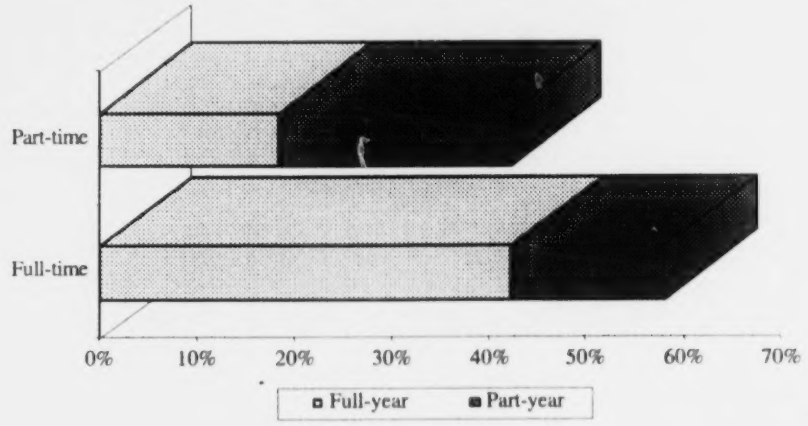
This occupational mix of jobs for which forced exiters with less than high school completion might qualify is also quite different from the mix for all jobs across the state. More than ninety percent of the jobs for which forced exiters might qualify are in Service, Clerical and Sales occupations, while fewer than half of all Texas jobs are in those occupations. All other occupations are dramatically underrepresented among potential jobs for exiters when compared to the occupational breakdown for Texas jobs as a whole.

Full-time/Part-time, Full-year/Part-year

Most jobs projected to be available for women forced to exit from welfare are expected to be less than full-time/full-year (Figure 5). Only about two of every five jobs available will actually be full-time/full-year. Although nearly sixty percent of all jobs will be full-time, twenty-eight percent of those will be for part-year only. Forty-two percent of all jobs will be part-time, and well over half of those will be for part-year only.

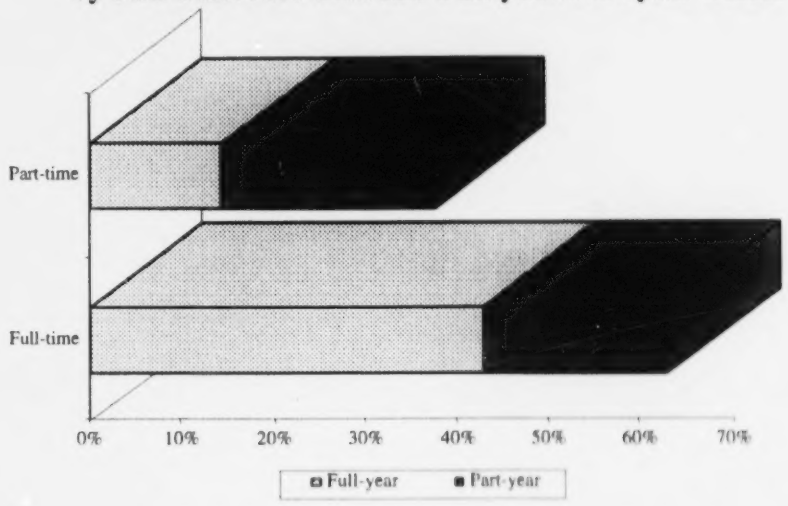
Employment in a female-dominated job requiring less than high school completion is slightly more likely to be full-time, but fewer of these jobs offer year-round employment (Figure 6). Although sixty-three percent of all potential jobs for non-graduates are expected to be full-time, almost a third of those will be only part-year. Of all part-time jobs requiring less than high school completion, over sixty-two percent will be less than full-year.

Figure 5
Potential Jobs by Full-time/Part-time and Full-year/Part-year Status



Note: Status data available for 73 percent of occupations and 82 percent of jobs only.
Source: CSHR analysis of 1995 Current Population Survey, DOT, and TEC/ERA occupational projections data.

Figure 6
Potential Jobs Requiring Less than High School Completion by Full-time/Part-time and Full-year/Part-year Status



Note: Status data available for 73 percent of occupations and 82 percent of jobs only.
Source: CSHR analysis of 1995 Current Population Survey, DOT, and TEC/ERA occupational projections data.

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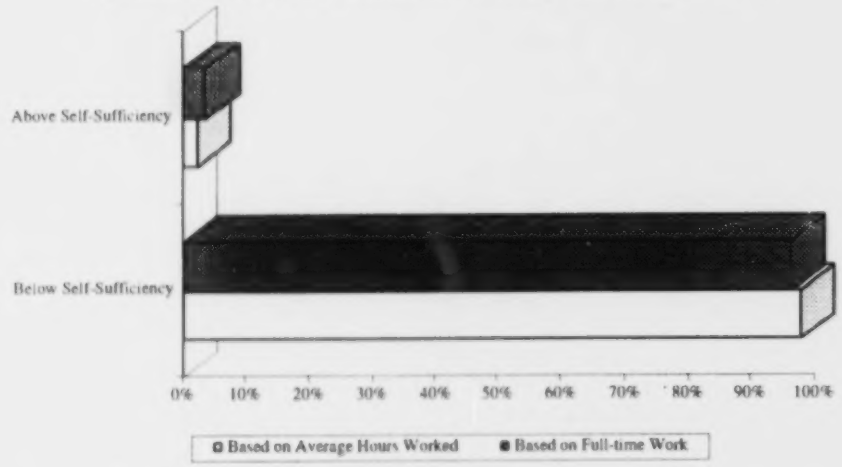
Wages

For welfare reform to succeed for recipients as well as taxpayers, not only must sufficient numbers of jobs be available, but those jobs must also pay enough for families to cover basic living and job-related expenses. However, earnings from over 98 percent of jobs potentially available to women being affected by time limits are not expected to enable families to be self-sufficient, pegged for this analysis at 155 percent of poverty based on work done by Schwarz and Volgy (1992) (Figure 7).[23] Although the average wage of all potential jobs is expected to be almost $6.70/hour (115 percent of poverty), earnings from the majority of jobs potentially available to these women will not pull a family of three out of poverty. Taking into account both wages and the average number of hours offered, *fewer than 30 percent of all potential jobs will enable a family of three to escape poverty.*

Even if all jobs offered full-time, full-year employment–which is not expected to be the case for sixty percent of all potential jobs for exiters–fewer than half will pay wages sufficient to bring a family of three above poverty (Figure 8).

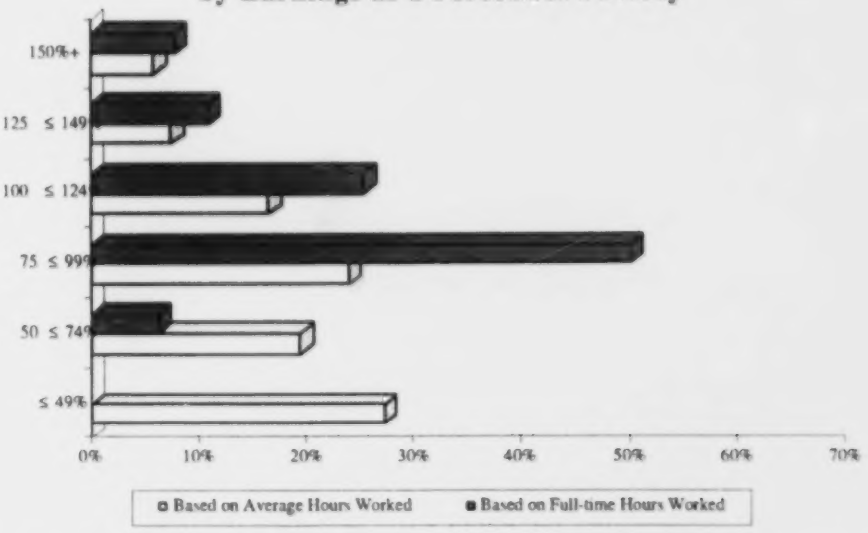
Wages are even lower in the potentially available jobs requiring less than high school completion, expected to average $5.65/hour. Virtually no jobs identified in this analysis allow a family of three to achieve self-sufficiency (155 percent of poverty), and fewer than 17 percent of these jobs will pull a family a family of three above poverty (Figures 9 and 10).

Figure 7
Potential Jobs by Self-sufficiency Earnings Status



Note: Hours of employment data available for 73 percent of occupations and 82 percent of jobs only.
Source: CSHR analysis of 1995 CPS and OES data.

Figure 8
Potential Jobs
by Earnings as a Percent of Poverty



Note: Average hours worked data available for 73 percent of occupations and 82 percent of jobs only.
Source: CSHR analysis of 1995 CPS and OES data.

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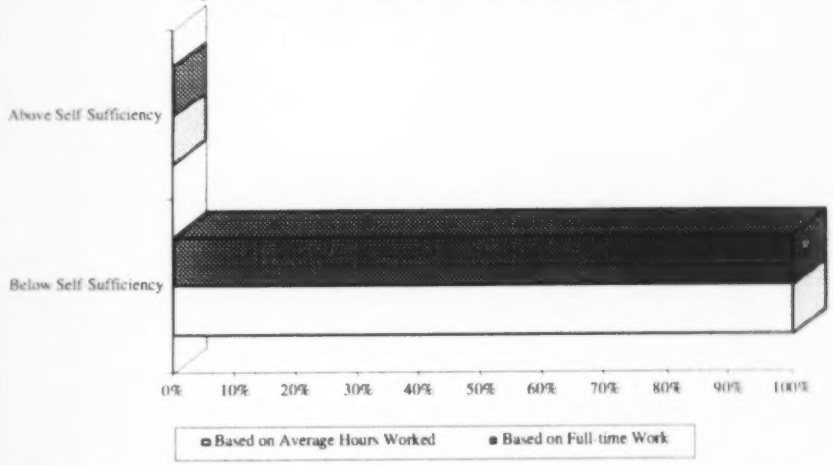
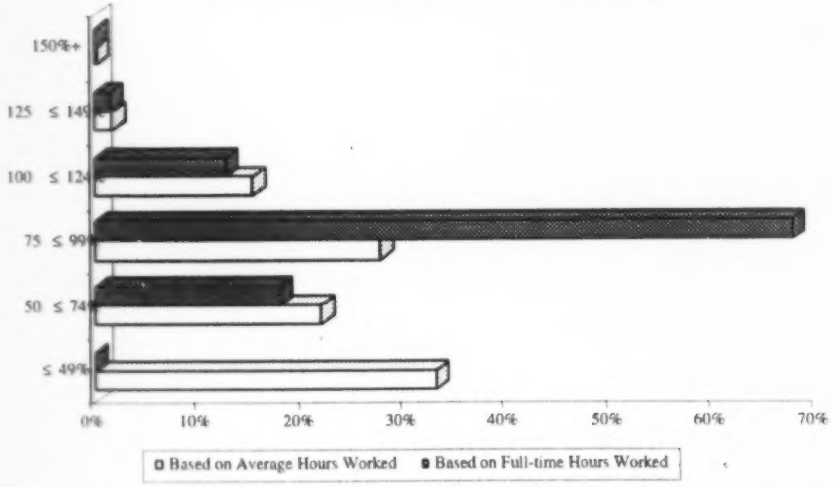
Figure 9
Potential Jobs
Requiring Less than High School Completion
by Self-sufficiency Earnings Status



Note: Hours of employment data available for 73 percent of occupations and 82 percent of jobs only.
Source: CSHR analysis of 1995 CPS and OES data.

Figure 10
Potential Jobs
Requiring Less than High School Completion
by Earnings as a Percent of Poverty



Note: Average hours worked data available for 73 percent of occupations and 82 percent of jobs only.
Source: CSHR analysis of 1995 CPS and OES data.

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Benefits

Employer-provided fringe benefits that enable single working mothers to continue working in the face of family crises, their own illness or the illness of a child (i.e., sick leave and personal leave), are expected to be offered in only a very small fraction of these jobs (Figure 11). Fewer than a fifth of these jobs are expected to offer paid personal leave, and only one in ten will offer sick leave.

Approximately half of all possible employment opportunities for women forced to leave welfare will lack medical insurance coverage and even fewer will include dental coverage. The rates of benefit coverage are comparable for potential jobs requiring less than high school completion.

Medicaid will continue to offer health care coverage for the children of low-income forced exiters. However, most caretakers no longer receiving welfare will not be covered by Medicaid. In the absence of employer-provided medical benefits, these women are likely to remain uninsured.

Although less-skilled, low-wage workers are substantially less likely to be covered by benefit plans, for workers who are fortunate enough to receive such benefits, non-wage compensation makes up a larger share of the total compensation package than for higher-wage workers.[24] However, there is little reason to believe that non-wage benefits packages fill in the gap for wage compensation in more than a minor way. Furthermore, there is evidence that non-wage compensation may be eroding among less-skilled, low-wage workers in much the same way as wages.[25]

Because contingent workers typically have fewer non-wage benefits than their permanently appointed counterparts, the relatively low rates of coverage in benefits programs shown here may be evidence of the prevalence of contingent employment in the occupations for which forced exiters may qualify.

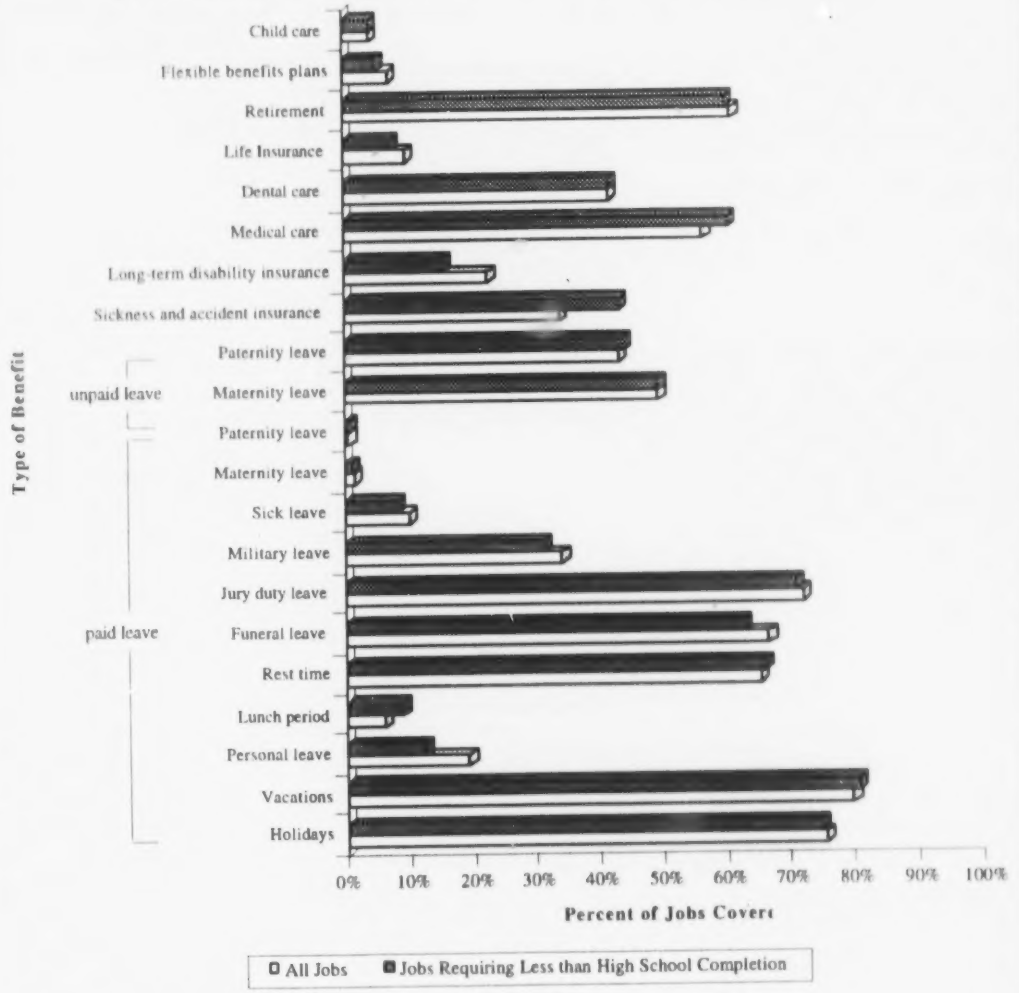
Environmental Hazards

Few of these jobs potentially available to exiters from welfare are expected to have significant exposure to environmental hazards (Figure 12). The frequency of exposure to is expected to be even less for jobs requiring less than high school completion, with the exception of exposure to hot, wet/humid, or noisy conditions (Figure 13).

Physical Demands

The potentially available jobs require a range of physical activity, but few require constant physical demands that might result in injury (Figure 14). It is to be

Figure 11
Percent of Potential Jobs Covered by Employee Benefits



Note: Data available for 73 percent of occupations and 82 percent of jobs only.
Source: CSHR Analysis of CPS, DOT, TEC/ERA occupational projections, and EBS data.

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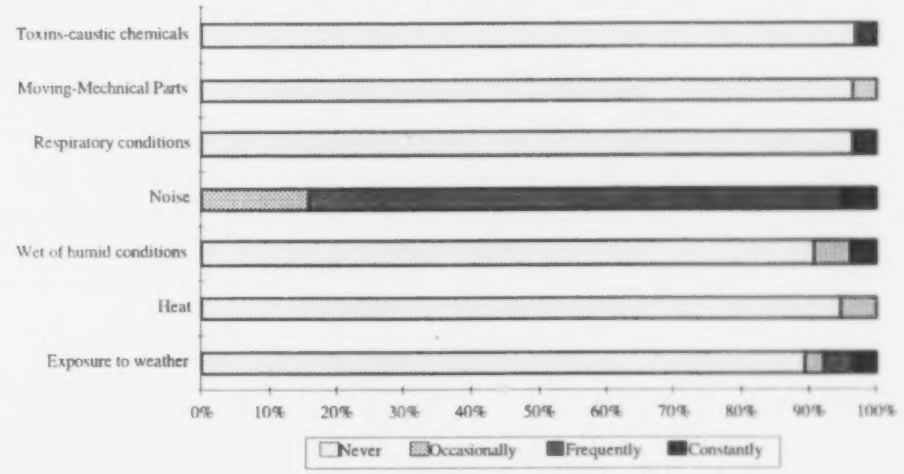
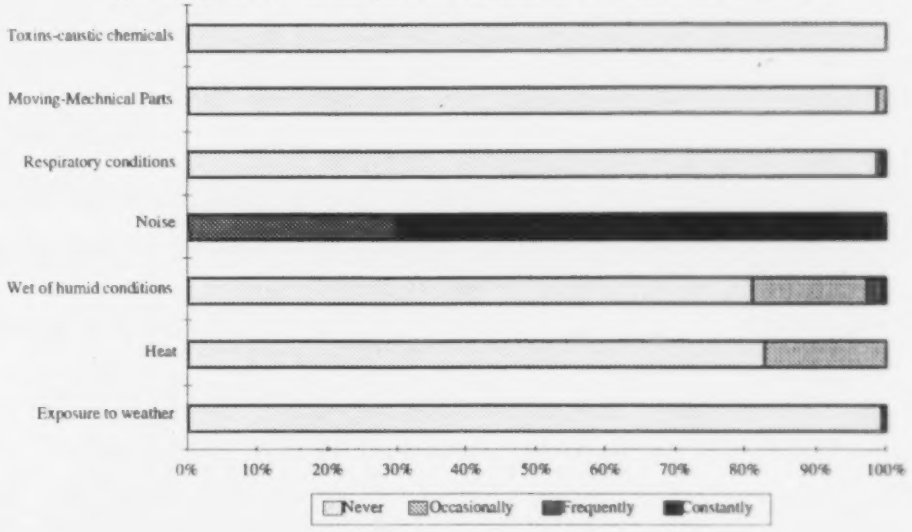
Figure 12
Potential Jobs by Frequency of Exposure to Environmental Hazards



Note: No exposure to cold, vibration, electric shock, high exposed places, radiation, or explosives was reported.
Source: CSHR analysis of DOT and TEC/ERA occupational projections data.

Figure 13
Potential Jobs Requiring Less than High School Completion by Frequency of Exposure to Environmental Hazards



Note: No exposure to cold, vibration, electric shock, high exposed places, radiation, or explosives was reported.
Source: CSHR analysis of DOT and TEC/ERA occupational projections data.

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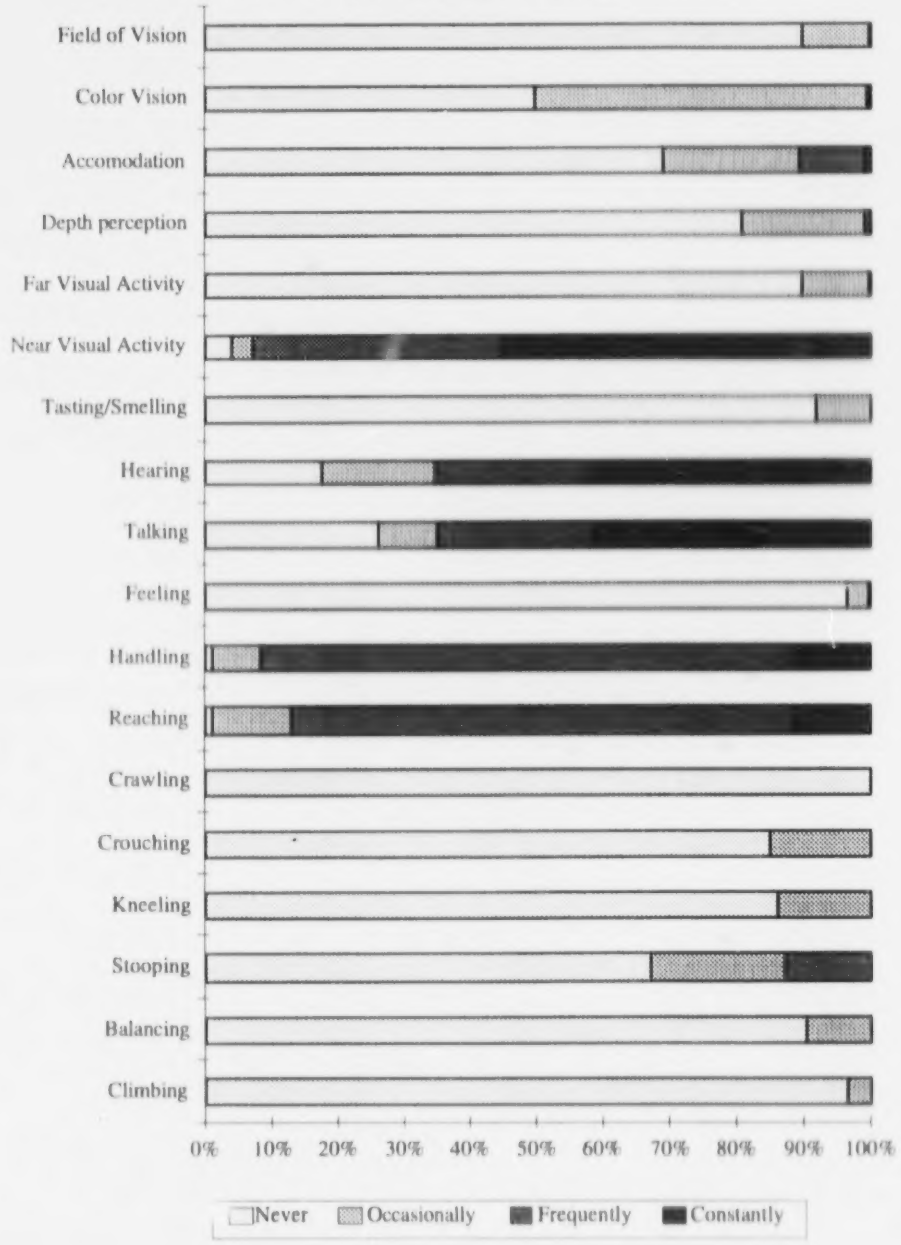
Figure 14
Potential Jobs
by Frequency of Physically-demanding Activities



Source: CSHR analysis of DOT and TEC/ERA occupational projections data.

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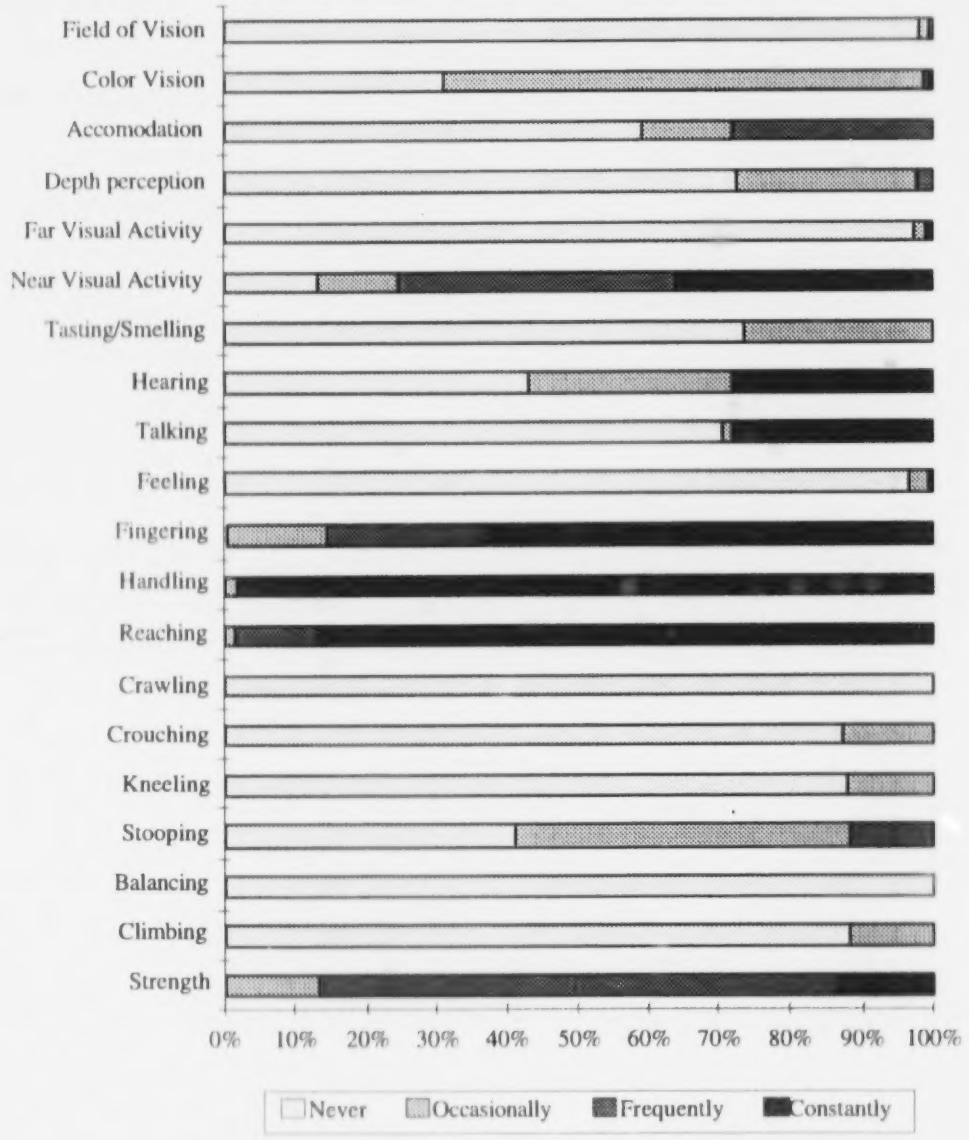
Figure 15
Potential Jobs Requiring Less than High School Completion by Frequency of Physically-demanding Activities



Source: CSHR analysis of DOT and TEC/ERA occupational projections data.

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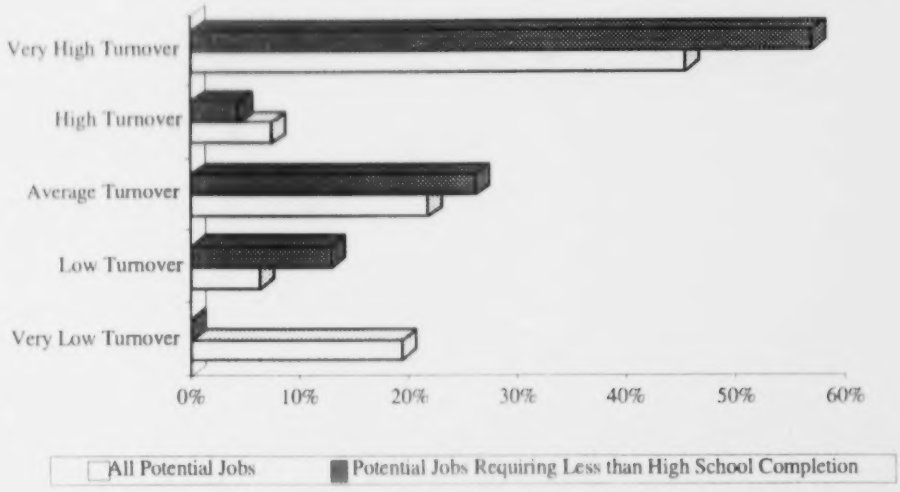
noted that one source of occupational-related injury–standing–is *not reported in* the available data. However, standing is presumably a common activity for employees in Sales and Service occupations, two of the leading occupational groups expected to be available for women being forced from the welfare rolls.

Jobs requiring less than high school completion, are expected to require considerably greater levels of physical strength and greater frequency of possible injury-causing activities, such as reaching, than those requiring high school graduation.

Turnover

The majority of jobs expected to be available to women being forced to exit welfare tend to be unstable, suffering from historically high to very high rates of turnover (Figure 15). Turnover is even greater among jobs requiring less than high school completion. This suggests 'cycling'–that is, the repeated movement of families from welfare to work and back to welfare–experienced in the Texas welfare system stems as least as much, if not more, from the nature of the jobs as from the behavior of welfare recipients. Limited hours, low-wages, and restricted benefits coverage all contribute to high turnover in the low-skill labor market.

Figure 16
Annual Turnover Rates in Potential Jobs for Forced Exiters



Source: CSHR analysis of 1990 Decennial Census, DOT, TEC/ERA occupational projections, and SOICC data.

Potential Industries

The greatest concentration of potential jobs for forced exiters from welfare will be in the Retail (37 percent) and Services (28 percent) industries, both of which are typically low-wage and offer very limited career ladders (Figure 17). Occupations in the Manufacturing industry–an industry which has historically offered self-sufficiency wages and opportunities for career advancement–also figured predominantly in the mix, but comprised less than nine percent of all potential jobs.

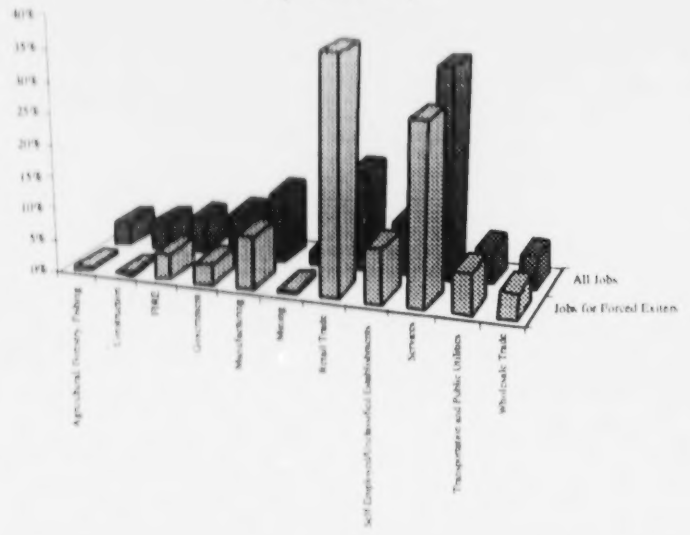
It is important to note that some of this growth which is focused in the Retail and Services industries may be more statistical than real, as formerly full-time jobs are being divided into two or more part-time jobs.[26]

The mix of employment by industry is different from the mix for all jobs across the state. More than twice the share of jobs for forced exiters are expected to be in the Retail Trades than are represented in the universe of all Texas jobs. Marginally greater shares are also expected in the Transportation and Public Utilities industry as well as in the Self-Employed/Unclassified grouping. All other industries are underrepresented among potential jobs for exiters when compared to the industrial composition of all Texas jobs.

A narrower range of industries is expected to offer jobs for which forced exiters with less than high school might qualify (Figure 18). Over 38 percent of all potential jobs for women without high school diplomas will be in Retail Trade and 34 percent will be in the Services industry. Twenty percent of all potential jobs, however, will be in the typically high-paying manufacturing sector. All other industrial groups each offer fewer than 2 percent of all potential occupations.

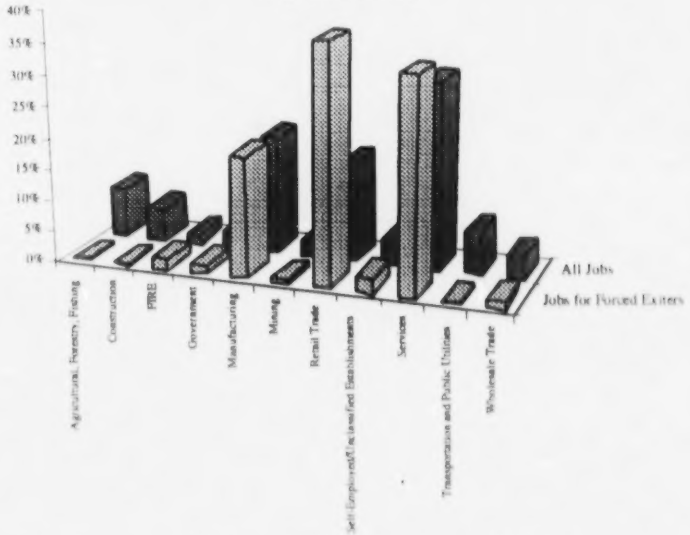
The mix of industries for which forced exiters with less than high school completion might qualify also is different from the mix for all Texas jobs requiring less than high school education. More than twice the share of jobs for forced exiters lacking high school degrees are expected to be in Retail Trade than are represented in the universe of all Texas jobs requiring similar educational completion. Marginally greater shares are also anticipated in the FIRE, Manufacturing, and Services industries. All other industries are underrepresented among potential jobs for exiters with less than high school when compared to the industrial composition of all Texas jobs.

Figure 17
Occupations for Individuals with High School Completion or Less, by Industry



Source: CSHR Analysis of DOT and TEC/ERA occupational and industry projections.

Figure 18
Occupations for Individuals with Less than High School Completion, by Industry



Source: CSHR Analysis of DOT and TEC/ERA occupational and industry projections.

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Potential Job Availability

Two ratios can be used to measure the potential availability of jobs: the job-to-worker ratio and the opening-to-entrant ratio. The job-to-worker ratio compares the projected number of jobs requiring a particular skill level to the projected number of available workers possessing those skills. The opening-to-entrant ratio compares the projected net number of newly created jobs, that is, openings, to the projected number of women entering the labor market.

Job-to-Worker Ratio

Statewide estimates show an optimistic employment picture. Women with a high school education or less, including women forced to exit welfare, should find ample job opportunities in the year 2000–approximately 1.4 jobs for every potential employee–in occupations which have traditionally been female-dominated (Table 4). Women with less than high school completion, including over a third of all women forced to exit welfare between 1997 and 2000 face a similar job market when competing for jobs requiring less than high school completion.

Although for the state as a whole there exists a surplus of positions in female-dominated occupations requiring high school or less, the job gap/surplus differs by region (Figure 19). For women with high school completion or less, nearly all regions are expected to have ample numbers of jobs in female-dominated occupations requiring educational attainment of high school or less and minimal job experience. Only two COG regions, South Texas (Laredo) and Middle Rio Grande Valley (Del Rio), are expected to have fewer jobs available than eligible workers to fill them, with job-to-worker ratios of 0.96:1 and 0.93:1, respectively. Neither of these regions, however, has high numbers of women expected to be forced from the welfare program, primarily due to geographic exemptions (i.e., lack of JOBS services) from welfare time limits.

Job prospects for women being forced to exit seem to be best in the North Central Texas region, which includes the Dallas/Fort Worth metropolitan area. In this region, more than two jobs in low-skill, female-dominated occupations exist for every female, low-skill worker (job-to-worker ratio=2.5:1). The state's other heavily populated metropolitan areas are also expected to have sufficient numbers of jobs for forced exiters. The Capitol (Austin), Alamo (San Antonio), Gulf Coast (Houston), and Upper Rio Grande (El Paso) regions will each have 1.5 or more jobs for every job seeker. This is

Table 4
Job Availability in Female-Dominated Occupations, 2000

	Job-to-Worker Ratio	Job Surplus
Women with High School Completion or Less*	1.4:1	495,482
Women with High School Completion*	1.9:1	702,616
Women with Less than High School Completion**	2.0:1	225,666

*Competing for jobs requiring high school completion or less.
**Competing for jobs requiring less than high school completion.

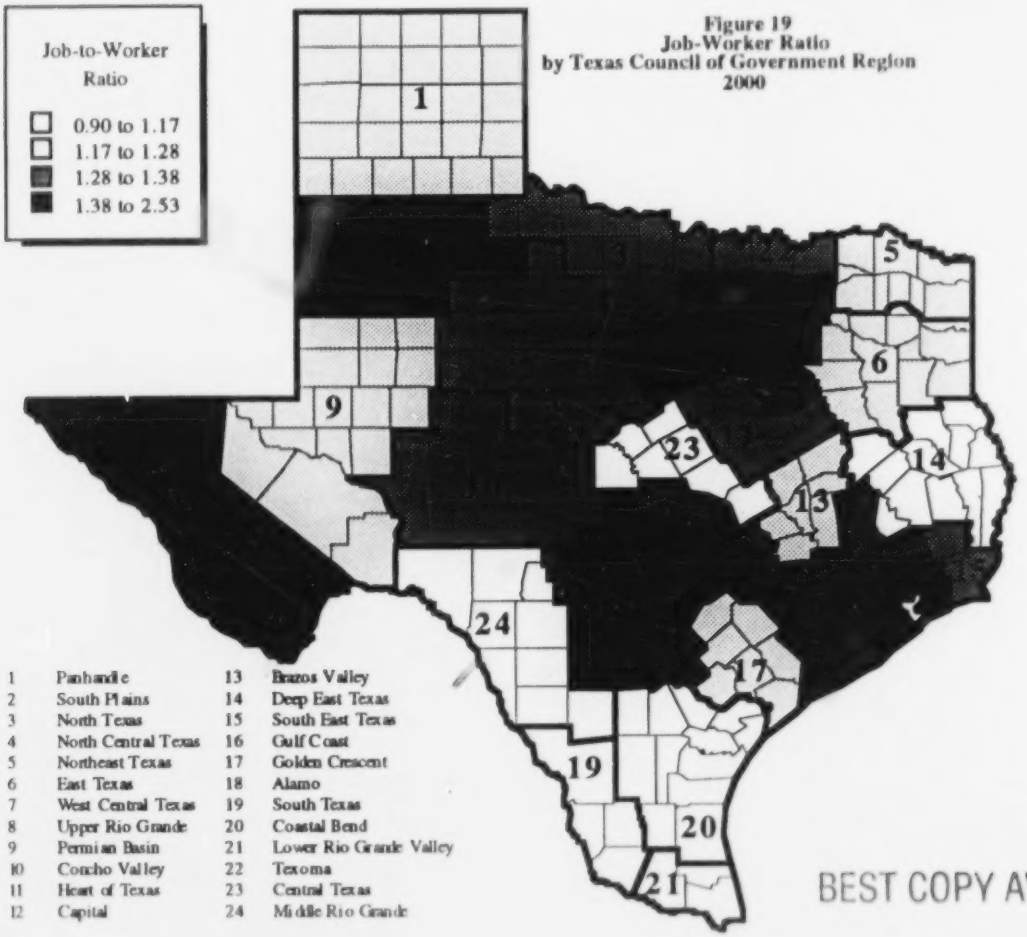

Figure 19
Job-Worker Ratio
by Texas Council of Government Region
2000

1	Panhandle	13	Brazos Valley
2	South Plains	14	Deep East Texas
3	North Texas	15	South East Texas
4	North Central Texas	16	Gulf Coast
5	Northeast Texas	17	Golden Crescent
6	East Texas	18	Alamo
7	West Central Texas	19	South Texas
8	Upper Rio Grande	20	Coastal Bend
9	Permian Basin	21	Lower Rio Grande Valley
10	Concho Valley	22	Texoma
11	Heart of Texas	23	Central Texas
12	Capital	24	Middle Rio Grande

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good news for women expected to be forced off AFDC, as nearly 70 percent live in one of these urban areas.

The competition for jobs among women with educational *functioning* levels of high school completion or less is not as stiff, primarily due to the lower labor force participation rates of women with lower levels of education/educational functioning (Table 5). These women, including women forced to exit welfare, should find ample job opportunities in the year 2000–approximately 1.8 jobs for every potential employee–in occupations which have traditionally been female-dominated. Women functioning at a level below the equivalent of high school completion are expected to face a slightly more competitive market, with 1.6 jobs for every potential employee.

Table 5
Job Availability in Female-Dominated Occupations, 2000

	Job-to-Worker Ratio	Job Surplus
Women with High School Completion or Less*	1.8:1	618,380
Women with High School Completion*	2.5:1	887,027
Women with Less than High School Completion**	1.6:1	171,553

*Competing for jobs requiring high school completion or less.
**Competing for jobs requiring less than high school completion.
Note: Includes only women with actual educational attainment of high school or less.

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New Entrants to the Labor Market and Job Openings

For women with high school education or less entering the labor market,[27] the employment picture also looks reasonably optimistic (Table 6). More than two jobs in female-dominated occupations will open up for every new female entrant to the labor market.[28] Women with less than high school completion will face an even more robust job market, with more than three jobs opening up for every woman entering the labor market. A greater range of occupations, and therefore, a greater number of jobs are projected to open up for women with high school completion. More than four new jobs requiring a high school degree or less will open up for each high school educated woman entering or re-entering the labor force.

All COG regions are projected to have sufficient openings for jobs in female-dominated occupations requiring educational attainment of high school or less and minimal job experience (Figure 20). Sixteen regions can expect to have more than two job openings for every female entrant to the labor market. The number of opportunities will be most favorable in the Heart of Texas (Waco), North East Texas (Texarkana), Texoma (Sherman/Denison) and North Central Texas (Dallas/Ft. Worth) regions, with 4.5, 3.8, 3.6, and 3.4 jobs for each labor market entrant, respectively. In the Lower Rio Grande Valley (McAllen), Middle Rio Grande Valley (Del Rio), and South Texas (Laredo) regions, there will be approximately as many women entering the labor market as jobs for which they qualify. Of these three regions, only the Lower Rio Grande Valley region has large numbers of women expected to be forced off welfare.

The employment outlook for women with *functioning* levels below high school completion is less rosy than for other women, although sufficient numbers of jobs requiring less than high school completion are expected to open between 1997 and 2000 (Table 7). Two jobs in occupations which have traditionally been female-dominated are expected to be created for every woman functioning below the high school level.

An important point that must be taken into consideration is the strong likelihood that women with low skill levels will hold multiple jobs simultaneously. In 1995, over six percent of all employed women and more than seven percent of all employed *unmarried* women held more than one job in order to earn enough to support their families.[29]

Table 6
Job Openings in Female-Dominated Occupations, 1997-2000

	Job-to-Worker Ratio	Job Surplus
Women with High School Completion or Less*	2.3:1	156,918
Women with High School Completion*	4.0:1	207,478
Women with Less than High School Completion**	3.1:1	171,553

*Competing for jobs requiring high school completion or less.
**Competing for jobs requiring less than high school completion.

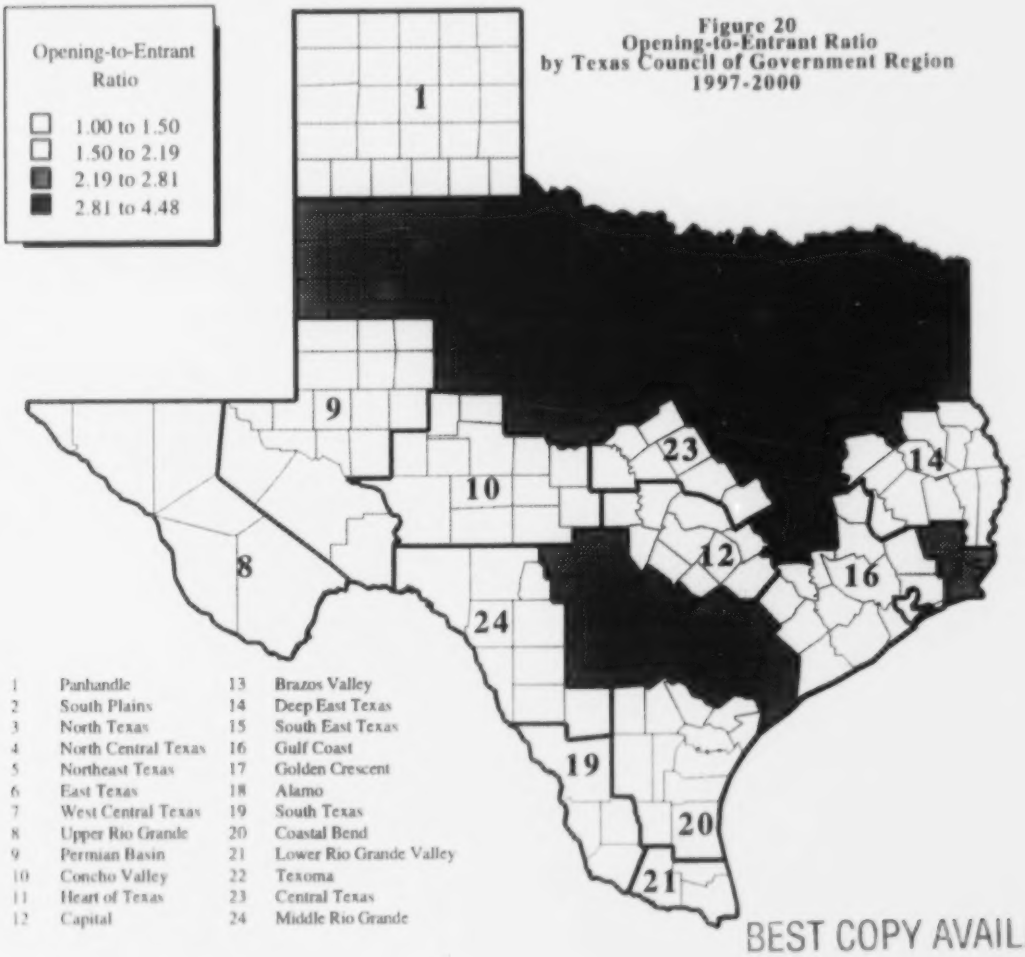

Figure 20
Opening-to-Entrant Ratio
by Texas Council of Government Region
1997-2000

1	Panhandle	13	Brazos Valley
2	South Plains	14	Deep East Texas
3	North Texas	15	South East Texas
4	North Central Texas	16	Gulf Coast
5	Northeast Texas	17	Golden Crescent
6	East Texas	18	Alamo
7	West Central Texas	19	South Texas
8	Upper Rio Grande	20	Coastal Bend
9	Permian Basin	21	Lower Rio Grande Valley
10	Concho Valley	22	Texoma
11	Heart of Texas	23	Central Texas
12	Capital	24	Middle Rio Grande

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Table 7
Job Openings in Female-Dominated Occupations, 1997-2000

	Job:Worker Ratio	Job Surplus
Women *Functioning* at High School Completion Equivalent or Lower*	1.8:1	618,380
Women *Functioning* at High School Completion Equivalent*	2.5:1	887,027
Women *Functioning* at Below High School Completion Equivalent**	1.6:1	171,553

*Competing for jobs requiring high school completion or less.
**Competing for jobs requiring less than high school completion.
Note: Includes only women with actual educational attainment of high school or less.

These findings regarding job availability run contrary to those of other researchers studying low-skill/low-wage employment opportunities in New York City and Illinois. An anthropological study of job openings filled in four Harlem fast-food restaurants in 1993 showed approximately 14 job applicants for each job filled. The individuals who were hired were better educated and had better job contacts than the unsuccessful applicants. But even the unsuccessful applicants were, on average, better educated and had more job experience than the typical mother potentially facing a forced exit from welfare.[30]

A recent study in Illinois found a severe shortage of entry-level jobs, especially those which pay a living wage. Across Illinois, four job seekers existed for every projected entry-level job opening. In the metropolitan areas of Chicago and East St. Louis, the job seeker-to-job opening ratio was even more stark, with six workers for every entry level job opening in Chicago, and nine workers for every job in East St. Louis.[31]

The finding that jobs for less-skilled female workers are readily available but that the job attributes are undesirable, has also been suggested by Blank (1995).[32]

Furthermore, with a five-year employment growth rate of over 13 percent–compared to eight percent nationally–and an industrial base which is less sensitive to changing economic conditions, Texas offers what may be a *best-case scenario* in terms of job availability for forced exiters.[33]

BARRIERS TO SECURING AND RETAINING WORK

Although sufficient numbers of jobs appear to be available for women with a high school education or less in most regions in the state, there is no certainty that the women being forced to exit the welfare program in Texas will be capable or willing to work in them. A number of factors affect hiring and job acceptance decisions which cannot be taken into account by mere tabulations of jobs and populations. Simple job availability does not overcome the barriers to employment that many women who receive welfare experience. Human capital does not always translate into stable employment.

Numerous studies have shown that, even in the absence of time-limited welfare receipt, exits from welfare to work are quite high. However, for many women, employment has provided only a temporary break from welfare.

Women forced to exit will continue to face circumstances and situations which hinder their ability secure and retain steady employment, including:

- Limited marketable human capital;
- Health limitations;
- High costs associated with being a working parent; and
- Domestic violence.

Human Capital

The inability of the low-wage labor market to provide a return on experience for women workers has been well documented.[34] The jobs typically available to low-skill women provide only limited immediate financial security, limited opportunity for or access to further education and training, and are rarely avenues to long-term financial security.

Although economic growth promises expanding job opportunities for workers of all educational levels, projections show that occupations requiring education and training *beyond* high school completion have faster rates of employment growth and higher wages than jobs requiring less education and training. Furthermore, relatively high educational attainment and prior work experience–such as that possessed by most women expected to be forced to exit from welfare–don't necessarily translate into strong, marketable job skills. Therefore it is especially critical that women leaving welfare–overwhelmingly single women with young children–prepare themselves for the changing labor market by

increasing their human capital through education and skills training.

Health Limitations

Another major barrier these women face is health-related. Poor health and the need to care for ill dependents affects job performance. A recent study found that approximately 30 percent of AFDC caretakers face significant barriers to work due to their own or a dependent's disability.[35] Because these estimates do not fully account for mental or social disorders or substance abuse, the true impact of poor health on the ability of AFDC mothers to work, regardless of job availability, is likely to be much stronger. Furthermore, because of the limited and declining share of jobs which offer medical insurance coverage, many disabled mothers and mothers of disabled children risk losing health benefits (Medicaid) when they accept a job.

Family Responsibilities

The cost of working–both in monetary and nonmonetary terms–can be quite high for single mothers. The costs of quality dependent care, reliable transportation, and appropriate clothing are often too high for many women to justify their work effort and time away from their children. Employment offers minimal material gain and leaves less time to manage continuing household responsibilities. Edin and Lein have estimated that, in a best-case scenario, the average mother leaving welfare for *full-time* work would still experience at least a 33 percent gap between earnings and expenses.[36]

Furthermore, as shown, most jobs potentially available to mothers exiting welfare lack flexible leave arrangements and work schedules that enable employees to manage family responsibilities effectively or successfully. In fact, many such jobs offer unpredictable schedules, requiring workers to take shifts at odd or irregular times. Such schedules increase the difficulty of finding and keeping quality, reliable, and affordable dependent care.

Although experts conclude that maternal employment is not necessarily harmful to children, it is believed that low-wage, stressful jobs offering little autonomy–such as the majority of the opportunities available to forced exiters from welfare–may jeopardize the quality of parenting, leading to less stimulating and nurturing home environments.[37]

So, despite what appears to be adequate job availability, the costs of working–especially in terms of neglected family responsibilities–may well exceed the benefits to these women and their families.

Domestic Violence

Domestic violence is also a major barrier to employment success for many women. In a study of Washington State's AFDC population, 60 percent of all adult recipients reported that, at some time in their adult lives, they had been the victim physical or sexual abuse. A University of Massachusetts study found that 65 percent of all adult AFDC recipients surveyed had been subject to domestic violence, 20 percent in the previous year.[38] Yet another study in Passaic County, New Jersey found similar rates of abuse, with 58 percent of the women surveyed having been victims at some time and 21 percent currently experiencing abuse.[39]

Domestic violence by the married or unmarried partners of working women can dramatically affect their ability to secure and retain a job. According to the American Medical Association (1997), "The chronic and traumatic nature of all forms of family violence often leads to serious mental health consequences. These consequences may include emotional distress, interpersonal problems, and/or behavioral disturbances," effects which could be barriers to employment.[40] One small study has shown that approximately 96 percent of abused working women have had some type of problem in the workplace that was directly related to their abuse or abuser.[41] Yet another study showed that as many as half of all abused women lost their jobs as a direct or indirect result of their abuse.[42] Seventy-five percent of employed victims reported significant disruption at their work place due to being harassed at work by their abuser.[43]

It is not at all unlikely that forced exiters in Texas experience similar rates of abuse, abuse which acts as an impediment to work, increases absenteeism, reduces employee productivity, and negatively affects job stability.

CONCLUSIONS AND POLICY RECOMMENDATIONS

Although time-limiting legislation promises to raise the employment rate of poor, single mothers, it alone is unlikely to be effective in promoting their economic self-sufficiency. In fact, most forced exiters will remain poor by virtue of low hourly wage rates and the part-time/part-year nature of the jobs for which they qualify. Furthermore, an increased number of less-skilled workers in the labor market is likely to exert downward pressure on already-low wages.[44]

The pre-time limits welfare system, in spite of its flaws, offered a minimal but relatively consistent form of income security between periods of work. The low-wage labor market for mothers with low-skills as it exists today, offers no such consistency. A number of courses of action could facilitate job and income stability:

- further expansion of the Earned Income Tax Credit and encouragement of employers to allowing ongoing access–rather than just and year end–to EITC credits;
- continuing increases in the federal minimum wage;
- implementation of "comparable worth" policies which raise the compensation in female-dominated occupations;
- expanded unemployment insurance coverage and eligibility;
- passage of legislation mandating comparable benefit packages for workers regardless of full-time/part-time or contingent/permanent status;
- implementation of policies that encourage collective bargaining in female-dominated and other low-wage industries;
- further emphasis on and federal and state funding for education and job training programs;
- policies to foster increased access to employment and training in low-wage occupations and industries;
- continuation of and expanded eligibility for public health care, including Medicaid; and
- increased access for low-income working families to subsidized, quality, dependent care.

Without substantial improvement in wages and working conditions at the low end of the labor market and interventions to overcome barriers to stable employment, time limits on welfare receipt will only increase the economic and social hardship faced by low-skilled mothers and their children.

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APPENDIX A: AFDC DATASET AND MODEL

AFDC Program Participation Dataset

Estimates of the number of welfare caretakers (and, inherently, families) affected by the recently passed time-limit legislation have been derived using a simulation model which utilizes the demographic attributes of the Texas AFDC caseload and prior research on the factors influencing AFDC exit and recidivism, including participation in the Texas JOBS program.[46]

The simulation model is based on the individual-level administrative, program, and post-program outcomes data for Texas AFDC caretakers which have been collected by the Center over the past nine years from the state agencies responsible for administering these programs. Employment Service (ES) and Unemployment Insurance (UI) Wage Records data for AFDC caretakers were also collected.

This dataset includes the following information for all Texas AFDC caretakers who received AFDC at any time during the period September 1, 1985 through August 31, 1993.

- Demographic and personal variables, including age, sex, race/ethnicity, educational attainment level, county of residence, number and ages of children on AFDC grant, age of mother at birth of first child, age of caretaker at first spell;
- Welfare spell data, primarily beginning and ending dates of AFDC receipt during the period, plus historical spell data;
- Program variables, including incidence and dates of JTPA enrollment, incidence and frequency of Employment Services from the TWC;
- Post-program variables, including quarters of employment and amount of quarterly earnings as recorded in the UI Wage Records data from the TWC; and
- County population and economic control variables, including population density, average wages, and unemployment rates.

Simulation Assumptions

A number of assumptions were made in the development and use of the welfare-exits simulation model:

1) Because caseload demographics change slowly over time, the demographic attributes of the caseload affected by time-limiting legislation will be similar to the caseload at the beginning of FY 1993. However, this assumption may slightly *overestimate* forced exits as the caseload is becoming increasingly more Hispanic over time; and because Hispanics tend to cycle on and off of welfare, they are less likely to be long-term stayers and therefore less likely to be affected by time limits during this time period.

2) Individuals may exit from welfare in three ways: (1) non-limit related, (2) time limit-forced exits, and (3) non-compliance/sanction forced exits. This study considers time limit-forced exits only.

3) Administrative lag is not modeled, however, a person who satisfies the conditions for an exit is removed from the program the following quarter. Thus, there is a built-in lag.

4) Non-limit entry and exit from employment by active cases will not be affected by the passage or implementation of the ACT demonstration (i.e., time limits).

5) Every Job Opportunities and Basic Skills (JOBS)-eligible welfare recipient will attempt to enter the JOBS program.[47,48,49] However, the number of JOBS slots will be limited to 30 percent more than existed in the pre-ACT period.[50]

6) Because individuals who aren't working and are not in JOBS for a reason other than lack of resources may be involuntarily terminated from the welfare program, it is assumed that JOBS participants will not drop out of JOBS until they have completed the program.

7) While in JOBS, the probability of non-limit-related exit from welfare is 0.14 per quarter less than the probability of exit if the person were not in JOBS. An individual who has finished JOBS has an enhanced probability of exit equal to 0.00075 times the number of hours spent in JOBS.[51]

8) Work experience is based on the number of quarters in which a caretaker had UI earnings during the previous two years.

APPENDIX B: OTHER DATA SOURCES

Source for Population Projections

Texas population projections utilized were prepared by the Department of Rural Sociology of Texas A&M University, using a cohort-component projection technique by which each component of population change–births, deaths, state-to-state migration flows, international in-migration, and international out-migration–are taken into consideration. Migration of all types, for purposes of this analysis, is assumed to be at levels comparable to that experienced in Texas between 1990 and 1994.[52]

Source for Occupational Characteristics

Dictionary of Occupational Titles

To identify the types of jobs for which forced exiters might qualify, researchers utilized the Dictionary of Occupational Titles (DOT). The DOT is a reference manual intended primarily to assist Employment Service workers in placing workers in jobs. However, its broad range of information on the content and characteristics of occupations is useful in other contexts as well.

The DOT utilizes a classification scheme assigning unique codes to various occupations by virtue of the following features:

DOT Code Digit	Feature described
1	Broad occupational "category"
1 through 2	Occupational "divisions"–refinements of the broader categories based on skills and knowledge required
1 through 3	Occupational "groups"–further division of divisions based on materials, products, subject matter ,services and technological objective of the occupation.
4	Worker Function Rating: Data
5	Worker Function Rating: People
6	Worker Function Rating: Things
7 through 9	Serial Number–Unique numerical code of a specific occupational title

The DOT database contains additional worker trait information collected through job analysis. These traits include:

- Specific Vocational Preparation Time (SVPT)–includes training acquired in a school, work, military institutional,

or avocational environment but excludes schooling without specific vocational content;

- General Educational Development (GED) requirements–includes aspects of formal and informal education that contribute to the worker's reasoning development, the use of language, and mathematical skills;
- Aptitudes–the capabilities or abilities required of a worker to facilitate the learning of job tasks;
- Temperaments–the personal traits useful to a worker in adjusting to the requirements of a job;
- Guide for Occupational Exploration (GOE) indicators–includes interests, tastes, and preferences for particular activities that are involved in job performance;
- Environmental Conditions–indicator of the frequency of exposure to a variety of environmental conditions in a worker's surroundings and circumstances, based on job analysts' observations and employee interviews; and
- Physical Demands–indicator of the frequency of physical requirements made of a worker in carrying out job tasks, based on job analysts' observation of job tasks.

Bureau of the Census

Percent Female. Estimates of occupations' ratio of male to female workers were made by the Texas State Occupational Information Coordinating Committee (SOICC) from the 1990 Census Public Use Microdata Sample (PUMS) file for Texas.

Wages. Estimates of average wages paid in each occupation also were calculated by SOICC from the 1990 PUMS file for Texas. Wages from this source include earnings from wages and salaries only and do not include earnings from tips, commissions, self-employment or related income. Census data were then inflated by SOICC to 1992 values by application of the Consumer Price Index (CPI) for all wage earners. No further inflation of wages were done by the authors of this report due to the probability of occupational wages growing at different rates than the CPI.

Full-time/Part-time and Full-year/Part-year. Estimates of typical weekly work hours were calculated by the authors based on an analysis of 1993-1995 Current Population Survey (CPS) data for Texas. The rates of full-time/part-time employment of women holding occupations included on the selected list of potential occupations was assumed to be a reasonable estimate of the rates for future openings in the same occupations. A similar methodology was used to estimate rates of full-year/part-year employment by occupation.

Bureau of Labor Statistics Methodology-Based Sources

Occupational Employment Statistics. Estimates of job availability by occupation were calculated based on Texas Workforce Commission projections of the amount of job growth per occupation (to the year 2000) at the state and regional level.[53] TWC's projections are based on the Texas Occupational Employment Statistics (OES) Survey, a cooperative effort between the Economic Research and Analysis (ERA) Department of the TWC, and the Bureau of Labor Statistics. A random sample of establishments in the non-farm wage and salary sectors of the economy, stratified by industry and size, are surveyed over a three-year, non-overlapping recurring cycle.

Industry Projections. The BLS-designed Industrial/Occupation (I/O) Matrix patterns, showing which industries employed particular occupations, were derived by TWC, using Texas and U.S. historical trends and relationships. This matrix reflects each industry's average staffing pattern in terms of the ratio of employment to total industry employment. A further analysis using state population forecasts enabled the researchers to arrive at statewide industry-specific annual average employment projections at the state level. To arrive at sub-state estimates, historical labor area industrial trends and relationships were applied to state-wide projections using linear regression and shift-share analysis techniques.[54]

Because these occupation and industry projections reflect studies of past and present industrial trends, they are the employment patterns likely to exist in the year 2000, *barring major changes from past trends.* The assumptions on which these estimates are based are the same assumptions on which the BLS bases its national projections:[55]

1) No major events (e.g., widespread or long-lasting energy shortages, oil embargoes, other price shocks or major wars) will significantly alter the economy's industrial structure or the economic growth rate

2) The national or state economic institutional frameworks will not change radically.

3) Current social, technological and scientific trends will continue, including the value placed on work, education and leisure.

In developing these projections, assumptions are also made about short-term conditions. Cyclical or seasonal changes are not taken into account, nor are other events such as large plant openings or closings. However, most short-term-based fluctuations balance out over the a long period.

Benefits. Rates of employee benefit and leave policy coverage for occupations potentially available were calculated by the authors based on the U.S. Department of Labor, Bureau of Labor Statistics' (BLS) Employee Benefits Survey (EBS) data for medium and large firms,[56] disaggregated by occupational type and full-time/part-time status.

The EBS is an annual survey of approximately 6,000 private sector and state and local government establishments, which collects data on the incidence and provisions of employer provided benefits, including:

- Paid holidays
- Paid vacations
- Paid personal leave
- Paid funeral leave
- Paid military leave
- Paid jury-duty leave
- Paid and unpaid family leave
- Paid sick leave
- Short-term disability insurance
- Long-term disability insurance
- Medical care
- Dental care
- Vision care
- Life insurance
- Defined benefit pension plans
- Defined contribution plans
- Flexible benefit plans and
- Reimbursement accounts
- Severance pay
- Supplemental unemployment benefits
- Travel accident insurance
- Nonproduction cash bonuses
- Child care
- Adoption assistance
- Long-term care insurance
- Subsidized commuting
- Flexible work place
- Wellness programs
- Fitness center benefits
- Job-related and non-job-related educational assistance and
- Employee assistance programs.

The broad occupational groups used by the EBS include:

- Blue-collar and Service: Includes Precision Production, Craft, and Repair occupations; Machine Operators and Inspectors; Transportation and Moving occupations; Handlers, Equipment Cleaners, Helpers, and Laborers; and Service occupations.

- Clerical and Sales: Includes Clerical, Administrative Support, and Sales occupations.

- Professional, Technical, and Related: Includes Professional, Technical, Executive, Administrative, Managerial, and related occupations.

ENDNOTES

[1] Mishel and Schmitt (1995).
[2] Sorenson (1994).
[3] US House of Representatives, Committee on Ways and Means (1996), p. 473. 1994 figures.
[4] HB 1863 was originally written to address the AFDC program. Since its passage into law, the AFDC program has been replaced by the TANF program. For simplicity, the phrases "welfare" and "cash benefits" are utilized in this report to refer to AFDC (pre 1996 welfare) and TANF (post 1996 welfare).
[5] HB 1863.
[6] See Bloom and Butler (1995).
[7] However, federal time-limit clocks continue to "run" in the background.
[8] Each state is required to maintain 80 percent of FY 1994 state spending on AFDC and related programs, including JOBS, EA, and child care. For states that meet the work participation requirements contained in P.L. 104-193, the maintenance of effort provision may be reduced to 75 percent. States must maintain 100 percent maintenance of effort for access to the contingency fund.
[9] Because 96 percent of all AFDC-Basic caretakers are female, women will be the focus of this study.
[10] Center for the Study of Human Resources. (1995).
[11] Texas State Data Center, Population Estimates and Projections Program. (1996). Further description of this dataset can be found in Appendix B.
[12] Over 86 percent of women forced to exit from AFDC have completed high school or less.
[13] Texas Comptroller of Public Accounts. (1997).
[14] For descriptions of the DOT and PUMS as data sources, see Appendix B.
[15] That is, the sum of all DOT assigned GED ratings equaling 9 or less.
[16] SVPT is generated by the Employment Service occupational analysis field centers and reported in the Dictionary of Occupational Titles
[17] King, Christopher T., et al. (1995), p. 315.
[18] Spalter-Roth, et al. (1995).
[19] Texas is divided into 24 COG regions.
[20] TWC was known at the time the projections were made as the Texas Employment Commission (TEC).
[21] Estimations calculated based on Segal (1995).
[22] Pavetti (1993), p. 4.
[23] Traditionally, the federal poverty guidelines, developed by Mollie Orshansky in the 1960s, have been used as a measure of economic well-being. This official measure has been widely criticized as inadequate for describing the cost of supporting a family. Thus, the authors have elected to use the measure of economic self-sufficiency developed in Schwarz and Volgy (1992): 155% of poverty.
[24] Woodbury and Bettinger (1991).
[25] Blank (1995).
[26] Thurow (1997).
[27] This group includes women entering the labor market either for the first time or after an absence of two or more years.
As defined earlier, entrants include only women with high school education or less and women expected to be forced off of welfare due to welfare time limits. The job openings referred to are for jobs requiring a high school diploma or less education and minimal job experience/training, that is, jobs for which the women projected to be forced off of welfare might qualify.
[29] U.S. Bureau of Labor Statistics (1997). *Employment and Earnings (monthly)*. January.
"Unmarried" includes women who are widowed, divorced, separated, or never married.
[30] Newman (1995).
[31] Carlson and Theodore (1995).
[32] Blank (1995).
[33] US DOL/TWC ERA analysis of the Current Population Survey.
[34] Danziger and Gottschalk (1993) and Levitan and Shapiro (1987).
[35] Loprest and Acs (1996).
[36] Edin and Lein (1996).
[37] Parcel and Menaghan (1997).
[38] Allard, et al. (1996)
[39] Curcio (1997).
[40] American Medical Association (1997).
[41] Domestic Violence Intervention Services, Inc. (1992).
[42] Friedman and Cooper (1987).
[43] Ibid.
[44] Mishel and Schmitt (1995).
[45] Sorenson (1994).

[46]Center for the Study of Human Resources. (1995).

[47] Eighty nine of 254 Texas counties–covering 90 percent of the state caseload–offer a JOBS program.

[48] Thirty hours per week is the minimum work requirement for nonJOBS participants.

[49] HB 1863, Article 4, Section 31.012c stipulates that caretakers are not required to participate in mandatory work or employment services program until the caretaker's youngest *child at the time the person first became eligible for assistance* reaches the age of six through September 1, 1997, age five through September 1, 1998, and age four thereafter. Lacking the data to make the calculation of child age from initial AFDC receipt, researchers adjusted the age of youngest child provision to require participation of only those caretakers whose youngest child–whether that child was born before or after initial receipt–is of the age specified in the law. Because the birth rate for women receiving AFDC is quite low (Rank, 1989), this adjustment is not expected to greatly affect simulation results.

[50] Eliminating from JOBS eligibility those participants with very young children–a provision of HB 1863–will result in a savings in child care expenditures sufficient to increase the JOBS caseload by 30 percent, according to TDHS estimates.

[51] Schexnayder and Olson (1995).

[52] A detailed description of the population projection methodology can be found on the Department of Rural Sociology's web site at <http://www-txsdc.tamu.edu/meth96.html>.

[53] TWC was known as the Texas Employment Commission (TEC) at the time the projections were made.

[54] TEC, ERA (1995).

[55] Ibid.

[56]EBS defines medium and large firms as establishments with 100 or more employees.

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